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The Nation's Business

The Prospects for a New Recovery

THE effort of business and government in the United States to halt the business slump invites the rapt attention of Canadians. For just as we are being dragged down by the American slump we will be lifted up by United States recovery when it is resumed.

Most significant among developments across the line is the effort to achieve a meeting of minds between investors, business leaders and the administration to the end of promoting a great "private recovery" to replace the "pump-priming prosperity" that has come to an end.

Generally, United States opinion is hopeful of a favorable outturn of the present discussions. All conditions are favorable except political conditions and politically created conditions—such as high wage costs.

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THE United States has not yet reached the limits of its domestic recovery. Under normal circumstances, it would be foolish to talk of an industrial panic or a new depression while money was still cheap and plentiful, while private debts were still moderate, while great voids existed in housing, industrial plant, railway and utility equipment, and other forms of capital goods.

Circumstances, however, are not normal. New Deal excesses have weakened confidence, have sapped initiative and enterprise. International conditions have also had an adverse influence.

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Where the New Deal Stands Today

IF THE New Deal is now really sincere in its effort to work with and through business to achieve a sound recovery, confidence can be restored over coming months.

The position seems to be that the conservative elements in the New Deal do want to work to this end; that the radical group is still recalcitrant and would like to use the present situation to further strengthen the control of the State over the national economy.

The President, to judge from visible signs, is on the fence. His message to Congress was an obvious effort to straddle the issue. But his private conversations with business leaders, which are friendly and encouraging, may be more significant than his public speeches.

So the situation across the line is that while co-operation between the administration and business to revive prosperity is the dominant note of the moment, all groups are plotting the course of action they will take if co-operation fails.

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WEALTHY private investors have moved large sums out of the United States for investment in the democracies of north Europe and for hoarding in gold in London.

The Left Wing of the New Deal has laid its plans for strengthening the power of the White House, even to the point of giving the President control of the public purse, free from Congressional control. It is not without significance that the President's son has been drafted as co-ordinator of a large group of spending and planning bodies.

Business leaders, on the other hand, are looking to Congress to provide the public with protection against the threatened rise of virtual dictatorship.

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Will Congress Restore Balance of Power?

AMERICAN Government is built upon the principle of a careful balancing of powers between the three branches—administrative, legislative and judicial. These powers have recently not been well balanced. Although foiled in his effort to sterilize the Supreme Court, the President is obviously confident of getting from the court, in coming months, decisions in line with his own interpretations of the law, and up to now he has held Congress in the hollow of his hand.

If public opinion in the United States can put a ramrod down the back of Congress, particularly the Senate, then the progressive disintegration of the protecting influence of the legislative branch may be halted.

The current business situation in the United States is outlined in an article on page 11 written from Washington by the editor of The Financial Post. The article may well be read against the background of the important facts outlined above.

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Premier Hepburn Wins Himself Respect

GOVERNMENT HOUSE, Toronto, has been a busy place of recent weeks as the Lieutenant-Governor of Ontario, Hon. Herbert A. Bruce, has had occasion to entertain the Secretary of State for the United States, the Canadian High Commissioner to Great Britain, the American Minister to Canada, the Governor-General, and other distinguished visitors. Through Government House, citizens have had an opportunity to rub shoulders and exchange views with these guests and with one another. In these times, when international understanding counts for so much, such

(Continued on page 2, col, 3)

British Names Front for Japs Charge in B.C.

Vancouver Business Men Threatened With Exposure By Minister

FIGHT INVASION

From Our Own Correspondent

VANCOUVER.—So intense has been the feeling against continued invasion of British Columbia industries by Japanese that a minister of the Provincial Government has threatened to "expose" prominent Vancouver businessmen who have lent their names for the incorporation of limited companies in this province controlled by Japanese capital.

"Japanese intrusion into the forest reserves has been made possible only by British subjects lending their names for the purpose of incorporation," said Hon. A. Wells Gray, minister of lands. "These companies are owners of Crown grant lands obtained from the Dominion Government, and export of logs from those areas are outside the control of the provincial authorities."

Mr. Gray says that the Government will press for amendrents to the British North America Act so as to give the province greater control over not only forest reserves but fisheries as well. It was announced this week that more than 200 Japanese have recently been authorized to be masters of fish packers off the west coast.

By-election Issue

The whole issue of Japanese penetration is expected to be one of the most controversial subjects in the coming federal by-election in Victoria.

British Columbia ports will probably benefit to some extent if United States unions carry out their threat to boycott the handling of Japanese cargoes because of the raiding of Japanese fishermen in Alaskan waters last summer. The boycott was to have become effective Nov. 15, but several days' delay is likely.

The Japanese Government replied to United States representations on the subject a few days ago, denying that there had been fishing in Alaskan waters. A Tokio spokesman claimed that a research vessel had been sent to Bristol Bay and that the United States state department had been notified in advance. American fishermen protest that actual fishing was done, and state that they have proof in the form of photographs.

Boycott Threat

"If that is Japan's answer we are ready to act," said a leader of the American fishermen's union in San Francisco. "When we start our boycott there won't be a Japanese ship move in or out of a Pacific coast port with cargo. We have waited patiently for the Government to do something. If the state department doesn't take drastic action, we'll take matters into our own hands."

The fishermen's union is affiliated with the A. F. of L.

Diversion of Japanese cargo business to Vancouver and other B. C. ports would be an important development, unless Canadian fishermen and longshoremen's unions took similar action.

HEADS TRADE BODY

V. Evan Gray, K.C., Toronto, former superintendent of insurance for Ontario, who has been elected president of the Ontario Associated Boards of Trade and Chambers of Commerce, succeeding Russell T. Kelley.

Brazilian Coup Causes Alarm

Brazilian Traction Believed Reasonably Safe — Situation Clearing

Assumption of dictatorial powers by President Vargas of Brazil last week appeared at first to create an uncertain outlook for shareholders of Brazilian Traction, Light, Heat and Power Co., Ltd., Subsequent developments have clarified the situation somewhat, although it is not yet possible to draw definite conclusions as to the eventual outcome.

The Financial Post learns on fairly good authority, that it is understood withdrawals of funds for dividend purposes, under the agreement which has been in force for the past few years, will be allowed to continue. No official statement to this effect has been issued, however.

A. W. Adams, secretary of Brazilian Traction, states there is no reason to expect any results adverse to the company from the political coup.

Canadian Mills Contract to Supply Paper to Antipodes

Secure New York Price on 175-ton Delivery Yearly to 1945 — Seven Firms Share

From Our Own Correspondent

MONTREAL.—One of the most important contracts ever made by Canadian newsprint manufacturers, though not necessarily from the point of view of tonnage involved, has been entered into by a group of seven Canadian companies and the Australian-New Zealand press.

The agreement provides that from Jan. 1, 1939 to 1945, Canadian manufacturers will undertake to deliver up to 175,000 tons yearly at a cost based upon the New York price.

Parties to the agreement, on the publishers' side, include the Melbourne Herald group; the Associated Newspaper group, of Sydney; the Sydney Morning Herald group; Courier Mail, of Brisbane; Daily Telegraph, of Sydney; Advertiser, of Adelaide and a number of provincial papers.

On the manufacturers' side, the list includes Mersey Paper Co., Consolidated Paper Corp., Canadian International Paper; Price Bros. & Co., St. Lawrence Paper Mills, Powell River Co., and Pacific Mills.

At present Australian and New Zealand publishers are consuming about 200,000 short tons of newsprint annually, of which Australia takes around 175,000 tons. Canadian manufacturers are supplying over 140,000 tons of their requirements.

Basis of New Price

During 1935 and 1936 the publishers paid £9.10 sterling c.i.f. per long ton of 2,240 lb. This year and for 1938, existing contracts call for payment of £10.10 sterling c.i.f. per long ton.

The new seven-year contract is based on a New York price formula. The Australia-New Zealand group has agreed to pay the New York price, less freight costs to New York, plus ocean freight charges, insurance, etc., from North American Atlantic and Pacific coast ports to main Australian and New Zealand ports.

On the basis of $50 a ton New York—the price set by the Canadian manufacturers for the first half of

(Continued on page 2, col. 3)

Ripley Plan Before Court

Question of Jurisdiction Argued by Counsel For and Against Plan

Uncertainty still clouds the prospects for Abitibi Power & Paper Co. On Nov. 10, at Osgoode Hall, Mr. Justice McTague opened the hearing on the reorganization plan adopted by bondholders on Oct. 15. After two adjournments and most of four days spent hearing evidence and arguments, there seemed little prospect of an immediate settlement.

Arguments presented on the first three days of the hearing were almost entirely confined to the matter of jurisdiction as between the Ontario Judicature Act (1935), under which the action was brought by Strachan Johnston, K.C., for the Montreal Trust Co., and the Companies Creditors Rearrangement Act, a Dominion statute. Those opposing ratification of the Ripley scheme by the court took the view that the plan was not actually a sale under the meaning of the Ontario act but a compromise or reorganization which, they contended, should come under the jurisdiction of the Federal act.

After three days of argument, the hearing was adjourned on Nov. 12 but resumed on Nov. 15, only to be again adjourned on motion from Ian Johnston, acting for his father, Strachan Johnston, K.C., counsel for the Montreal Trust Co., trustee for the bondholders.

Control Is Issue

No official information is available as to the results of the conferences between interested parties. The Financial Post understands, however, that those opposing the Ripley plan desire to obtain a greater share in management control of the new company. This is strongly opposed by bondholders and others in favor of adoption of the plan, who feel that they are entitled to control the company until their bonds are paid. Under the provisions of the Ripley plan the board of directors of the new company would consist of 15 members. Of these 15 directors, eight are designated class A directors and are to be bondholders' nominees, serving until 1943 or later. A compromise on the financial portions of the reorganization plan might be arranged, but, excepting the successful conclusion of private conferences, the case is likely to come before the court again and may turn into a long-drawn legal battle.

G. T. Clarkson, receiver and manager for Abitibi Power & Paper Co., was the only witness called, the court ruling that other evidence

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Mont. Power Share Profits To Show Gain

May Report as High as $1.85 After Increased Depreciation

DROP IN INTEREST

From Our Own Correspondent

MONTREAL. — Montreal Light, Heat and Power Cons., on present indications, will report an increase in earnings on its capital stock for 1937, after allowing for a possible increase in depreciation reserve.

Last year the company earned $1.75 a share on the outstanding common. While it is still too early to obtain any definite idea of what the increase will amount to for this year, it is thought that the figure will be better than $1.80 a share possibly as much as $1.85.

Net profit for the first half of the year was unofficially reported to have been $167,000 more than for the corresponding period last year. The gain made then has continued and with the addition of miscellaneous income in the last half of the year, returns for the full 12 months may show an increase of between $400,000 and $500,000.

Power Sales Higher

The improvement in earning power this year is based on several factors. In the first place sales of electrical energy, exclusive of secondary power and export deliveries, recorded an increase of 8.91% to the end of October. The percentage gain in recent months has shown a tendency to ease off, but indications are that returns for the full year will show an increase over 1936.

Returns for the gas division have not been so good this year. Unless there is a marked pick-up in consumption between now and the end of the year gas sales will be lower than in 1936. To the end of October there was a decline of 3.51%.

Prospects are that export and off-peak power sales will be higher this year.

Drop in Interest Charges

The second major factor is the reduction in interest charges. From 1932 to 1936, there was a reduction of 25% in the company's fixed charges—$4,021,933 to $3,028,503. Another reduction will be effected for 1937, owing to the refunding of the company's debt on a lower interest basis. This financing was done last year, but the full effect of the saving only shows up in this year's accounts.

Another factor bearing upon interest charges is the changed position of the 3% debentures, which were offered to customers in exchange for common stock subscribed to in 1930. These debentures were convertible into common stock on the basis of a $50 debenture for one share of common up to July 1, when the privilege expired.

In 1935 there were over $28.5 millions of these debentures in the hands of the public. At the end of last year the amount had been reduced to around $22.6 millions through purchase by the company or conversion. The report for this year is likely to show a further drop; but, in any event, interest on the debentures will be less than in 1936.

In past years it has been customary for Montreal Power to appropriate 10% of gross revenues for depreciation. However, in 1934, 1935 and 1936, the company made a charge of $750,000 a year against income for additional depreciation. The 1937 accounts are likely to show an increase in this special depreciation account, possibly to as much as $1 million. Despite this, the net earnings available per share of common will be larger than last year.

The policy to date has been a rate reduction hand in hand with a dividend increase. While there has been an improvement in sales of electrical energy, it is considered that the time is not especially opportune to reduce rates. Consequently an increase in the dividend is not expected at this time.

Financially the company is well able to increase the distribution to shareholders. The current rate of $1.50 a share has been earned with at least 25 cents a share to spare. The company could easily pay $1.60 a share and might possibly go even higher without impairing its financial position.

The lack of immediate prospects of an upward change in the dividend is a contributing cause to the lack of market interest in the company's common stock. The investment character of the common has given it a great degree of stability, with the result that it has shown little change in value throughout the recent market break.

Beauharnois-Hydro Power Agreement Now in Final Stage

Plan to Amend Existing Contract to Provide 75,000 h.p. of Firm Power Plus Reserve Basis Clause — Bond Outlook Altered

From Our Own Correspondent

MONTREAL.—Official announcement of a resumption of contractual relations between the Hydro-Electric Power Commission of Ontario and the Beauharnois Light, Heat and Power Co., subsidiary of Beauharnois Power Corp., is expected before the end of the month and possibly within a week. To the latter this may mean a restoration of revenues covering part or all of its interest charges on the collateral bonds.

No official particulars are available, but it is understood that Ontario Hydro will not make a new contract with Beauharnois, but will amend the existing contract which was cancelled toward the end of 1935 and is now subject to litigation.

Basis of Agreement

The amendment will provide for delivery by Beauharnois to Ontario Hydro of 75,000 h.p. of firm power at $12.50 a h.p., or the same rate charged under the existing contracts held by Gatineau Power, McLaren-Quebec Power and Ottawa Valley Power.

It is further understood that Hydro will make an arrangement with Beauharnois for the balance of the power called for under the original contract—175,000 h.p.—on a reserve basis, to be paid for on the same terms as the other Quebec power contracts, namely, $1.75 a h.p. per year.

In some quarters it is thought that the amount of reserve power will be less than 175,000 h.p., but, in any event, it will amount to a substantial figure and assure Hydro of an adequate supply of energy for some years to come.

Restore Earning Power

The amendment of the contract on this basis would do much to restore Beauharnois' earning power to a more adequate level. Income from 75,000 h.p. at $12.50 per h.p., would give the company an additional revenue of $937,500, without considering the income from reserve power.

Indications are that on the basis of the Hydro contract outlined, and in the event of other developments enlarged upon later, Beauharnois Power Corp. may secure sufficient revenue to cover interest on the collateral bonds.

Beauharnois has three customers now: Montreal Power, Montreal Cottons, and St. Lawrence Alloys. There is no income from Montreal Cottons, the power being supplied free of charge in exchange for water rights.

New Revenue Basis

On the basis of deliveries to Montreal Power next year, Beauharnois will secure a gross income of $2,197,500. Power charge to St. Lawrence Alloys and miscellaneous income is expected to total more than $300,000, making in all nearly $2.5 millions.

With deliveries of 75,000 h.p. of firm power to Hydro, the company would have an additional $937,500, making a gross income of over $3.4 millions.

An Important Factor

At present the operating company has outstanding $38,155,900 of 5½% first mortgage bonds, but of this number $4,795,363 represent bonds underwritten by Montreal Power but not taken up at the end of 1936, leaving a net amount outstanding of $33,360,537.

Interest charges on these bonds amount to $1,834,829.

The important point in this connection is that one of the conditions laid down by the Quebec Electricity Commission when it gave approval of the exchange of these bonds for Montreal Power 3½'s was that when the company was in a position to pay the full 5½%, steps would be taken to refund the bonds or place them on a lower interest basis. Otherwise Montreal Power would secure a very handsome return, as the bonds it gave in exchange carry only a 3½% coupon.

Could Effect Change

Further, as Montreal Power owns 96% of the issue, it would be a comparatively simple matter to reduce the coupon rate on the Beauharnois Light, Heat and Power 5½'s without the necessity of carrying out any public financing.

Allowing that the interest on these bonds was reduced to a 4% basis, an operation easily accomplished, annual interest charges on the Beauharnois 5½'s would be reduced to $1,334,421.

Given a gross income of $3.4 millions and allowing $500,000 for operating charges, etc., there would remain $2.9 millions to take care of interest charges. After payment of interest on the underlying bonds, there would remain $1.6 million to take care of interest on Beauharnois' collateral trust bonds. Payment on the latter would require $1.8 million at 5%.

Other Factors to Consider

This calculation does not take into consideration revenue which might accrue to Beauharnois from power held in reserve for Ontario Hydro. Additional income on this account would take care of increased royalties and would tend to offset possible adjustment which might have to be made in the amount charged for energy delivered to Montreal Power and resulting from the amendment of the Ontario Hydro contract.

Thus given a firm power contract for 75,000 from Ontario Hydro, Beauharnois can come close, if not cover, interest charges on the collateral trust bonds, with the necessary adjustment made on the rate of interest payable on the operating company's first mortgage bonds as provided for in the approval certificate issued by the Quebec Electric Commission when the exchange was effected.

Gatineau in Picture

There has been a considerable element of doubt as to the likelihood of Beauharnois securing a new contract from Ontario Hydro. The

(Continued on page 2, col. 6)

Hydro Load Continues Up

Primary Load for Niagara System Rises 10.6% Over Oct., 1936

Monthly summary of loads issued by the Hydro-Electric Power Commission of Ontario for October shows an increase in all classifications over the corresponding month of 1936 with the exception of primary and secondary loads for northern Ontario properties. The Niagara system, with a total increase of 11.7%, makes the best showing. Actual figures for maximum 20-minute peak horsepower follow:

Maximum 20-Minute Peak

	—October— 1937 H.P.	1936 H.P.	Increase %
Primary Load:			
Niagara	1,094,504	989,275	10.6
Eastern Ont.	125,395	111,421	12.5
Georgian Bay	29,310	26,555	10.4
Thunder Bay	88,800	83,090	6.9
Northern Ont.	121,115	101,203	19.7
Total	1,459,124	1,311,544	11.3
Primary & Secondary Loads:			
Niagara	1,184,182	1,060,187	11.7
Eastern Ont.	129,584	117,969	9.8
Georgian Bay	29,310	26,555	10.4
Thunder Bay	134,678	133,914	.6
Northern Ont.	170,713	171,042	*.2
Total	1,648,467	1,509,667	9.2

*Decrease.

Ontario Bond Issue Offered

$25 Millions Loan Gets Quick Over-subscription

A large syndicate of investment dealers and banks offered a new issue of $25 millions of Province of Ontario debentures for public subscription on Nov. 17. Advance offering to institutional investors indicated that the offering would be favorably received and the loan was oversubscribed shortly after the books were opened.

The new issue consists of three maturities, as follows: $8 millions of 2% debentures maturing Jan. 15, 1941, and offered at 99.25 to yield about 2.25%; $5 millions of 2½% debentures, due May 15, 1945, and offered at 97.50, to yield about 2.87%; $12 millions of 3¼% debentures, due Nov. 15, 1951, and offered at 98.50, to yield about 3.38%.

The 3¼% debentures will be callable at 100 on 30 days' notice on any interest date on and after Nov. 15, 1949. Other maturities are non-callable.

Proceeds of the loan will be used to meet maturing securities and for general purposes.

Chas. Gurd & Co. Pays Interim Common Dividend

An interim dividend of 30 cents a share has been declared on the common stock of Charles Gurd & Co., payable Dec. 15 to shareholders of record Dec. 1. A year ago at this time the company paid a 20 cents a share interim dividend.

New Curb on Oil Flow Spurs Expansion Plan

$850,000 Programme May Bring Alberta Oil Into Ontario

Additions, costing a total of $850,000 to Imperial Oil Ltd. refineries at Calgary and Regina, form part of a strenuous programme aimed at expanding the market for Turner Valley oil. Already this effort, spurred by steadily increasing oil flow, has resulted in extending the market into Manitoba, and Imperial Oil officials hope that the new refinery equipment will enable Alberta's oil products to be marketed as far east as Rainy River, Ont., an area now served by Sarnia.

R. V. LeSueur, vice-president of Imperial Oil, is quoted as saying in Calgary, (western reports were confirmed by The Financial Post from the company's head office) that of the $850,000 expenditure planned, $500,000 will be spent in Calgary and $350,000 at the Regina refinery.

From Our Own Correspondent

CALGARY.—Due to the fact the market for Turner Valley crude oil is at present limited the Royalite and British American oil companies served notice that oil firms marketing oil to them will only be permitted to dispose of 35% of their capacity production of each well until further notice.

Since September, when 65% proration came into effect, and since the first of the present month, production of oil in Turner Valley has increased greatly, even despite proration. Prairie Royalties, for instance, has a capacity flow of more than 2,000 barrels daily and Brown 1, acidized a few days ago, is another very large crude producer. Proration does not affect wells producing 100 barrels or less per day, nor those few wells which market their product to refineries other than those of Imperial Oil or British American Oil.

As far as can be determined at present, the settled producers in Turner Valley will be permitted to produce the following amount of oil daily under proration to 35% of capacity, the table including wells which are not being prorated. It should be noted that while the total below is only 7,451 barrels daily, this figure will be boosted to an estimated 10,000 barrels by several wells just completed or recently acidized.

Advance, 60; Model one and two, 58; Miracle two, 75; Royalite-Sterling three, four and five, 1,091; Royal Crest, 210; Commoil, 630; Granville, 175; Four Star, 210; Turner Valley Royalties, 298; Prairie, 720; B. and B., 252; Richland, 500; Century, 57; British Dominion, 70; Model-Spooner-Reward, 420; Share, 168; Monarch, 210; Davies Petroleum two, 1,050; Foundation, 123; Westside, 119; Mercury, etc., 350; Royalite, 455; Sovereign, 40. Miscellaneous small producers, 110. Total 7,451 barrels.

North York Plan Ready

Defaults Cleared Up — Can Pay Future Maturities in Full

A refinancing plan for North York, providing for removal of the township from the list of defaulting municipalities, is now in its final stage.

The plan, as prepared by the Ontario Department of Municipal Affairs, and approved by the Debenture Holders' Committee provides for full cash settlement of all principal and interest maturities now in default. Payment of interest will consist of the difference between the contractual rate and the 3% rate which has been paid during the defaulting period.

The necessary cash is to be raised by issue and sale of $500,000 new 15-year 4½% debentures, which, with cash on hand, will be sufficient to take care of the amount of the default. Negotiations are already under way for the sale of the new issue to holders of the defaulted securities, and it is expected institutions will take the major portion.

Financial position of the municipality indicates that all principal and interest maturities from now on can be paid on the full contractual basis, as the plan provides.

The plan has been passed by the North York Township Council, and final approval by the Ontario Municipal Board is regarded as certain. A period of 30 days must then elapse before the plan becomes valid, so that actual settlement is expected to get under way late in December.

Wages—and C. I. O.

Almost overnight the labor situation on this continent has turned about face.

From talk of higher wages and shorter hours, emphasis has now shifted to lower wages and more reasonable hours to offset the business slump and head off a buyer's strike.

This is the challenge that now faces organized labor—especially C.I.O.

Next week The Post will publish a full-dress review of C.I.O. leadership and policies. The story will tell the present position of this mushroom growth and indicate future possibilities for both employer and employee.

Canadian Cottons Ltd. Elects New Directors

Edward C. Fox, Toronto, and William B. Boyd, Toronto, have been elected directors of Canadian Cottons, Ltd., to succeed W. A. Black and George C. Caverhill.

Highlights

Do Figures Lie?

First of a series of articles tells how to read a balance sheet. Page 5

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Property owners bear the brunt of government spending. Is the system due for a change? Page 12

Spilt Milk

What is behind the milk price controversy? Page 10

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Yields are relatively high at present prices, and position is sound. Page 17

New Dealers Repent

Will Washington give business a chance to show what it can do? Page 11

Golds Stand Firm

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Dr. Stewart visits Prince Edward Island. Page 20

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Atticus gives interesting sidelights on literary leaders, in "London Calling." Page 3

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B. C. Revenue Shows Gain

Budgets for Surplus of Only $80,000 in 1938-39 Fiscal Year

British Columbia expects to have a surplus on ordinary account, exclusive of unemployment relief, of $2.6 millions in the current fiscal year, which ends March 31, 1938, according to figures given to the B. C. legislature by Hon. John Hart, provincial treasurer, in his budget speech. Ordinary surplus in 1936-37 was approximately $2.6 millions also.

Revenue returns for the six months ended Sept. 30 were well ahead of estimates, amounting to $16.6 millions. This is an increase of $1.6 million over collection in the same period of 1936-37 and Treasurer Hart now estimates that revenues will amount to at least $29 millions, which will be another new record. In his budget last year, he estimated revenues for 1937-38 at $26.5 millions.

The increase has largely been due to higher returns from liquor profits, gasoline tax, income tax, motor vehicle licenses, timber royalties and timber sales.

Expenditures actually recorded by the Comptroller-General for the six months ended Sept. 30 amounted to slightly more than $12 millions which is an increase of $746,872 over the same period of the previous year. These figures, however, cannot be taken as an accurate indication of the trend since there is a large amount of unpaid accounts.

Smaller Surplus Next Year

For the 1938-39 fiscal year the province is budgeting for a surplus of only $80,182. Revenues for the year are estimated at $28,065,341, which is about the same as was collected in 1936-37. Expenditures are estimated at $27,985,158, which is an increase of $659,871 over estimates for the current year.

Although the province is not yet able to pay its full share of unemployment relief without borrowing from the Dominion Government and is not making full provision for sinking funds, ordinary expenditures continue to increase. Treasurer Hart revealed that ordinary expenditures, exclusive of debt charges and relief costs, have risen by almost $7 millions since the 1933-34 fiscal year.

Due to current economic conditions no further aid to municipalities will be granted by the Government during the 1938-39 fiscal year.

Ontario Hydro to Remove Bottleneck at Leaside

The Hydro-Electric Power Commission of Ontario has started work on enlarging capacity of its transformer plant at Leaside, Ont. Work now under way is designed to add sufficient capacity to the Leaside station to permit the Commission to accept delivery of the 120,000 h.p. which is still available under the contracts with Gatineau Power Co.

A considerable length of time is required to design and manufacture the equipment necessary and it is not expected that the work will be completed before Oct., 1938.

The Leaside transformer station might be termed the bottle neck of Ontario Hydro's Niagara system. The power already coming from various sources is utilizing the full rated capacity of the equipment now installed. Any additional power that might be taken would compel an overload of the transformer equipment. Just how much of an overload this equipment would stand, Hydro engineers are not yet sure, although it is known that overload capacity does exist. At any rate this factor places a pretty definite limit on ability of the Niagara system to accept any more power from Quebec power companies until additional equipment is installed.

Surveying Situation

The power situation in Ontario is going to be carefully studied through a survey which the Hydro Commission is starting shortly. Plans call for the new commissioners to visit all plants from which Hydro now obtains power and to inspect properties which have been included in the Commission's plans as possible sources of power in the future.

MEN'S SHOP

The Men's Version of Luxury and Comfort

Dressing Robes

in distinctive imported and domestic fabrics from a large assortment at the MEN'S SHOP in plain, check, and all over patterns. Wools $8.50 to $35.00 ea. and real silks $12.50 to $45.00 ea.

Pyjamas

from England in smart attractive colours in woven stripes of cotton broadcloth $5.00 to $8.50 suit, real silk $10.00 and $15.00 suit, others in cotton broadcloth $2.00 to $4.00 suit.

Slippers

made from supple leathers for comfort in the ever popular Opera, Everett, and Romeo styles in shades of wine, blue, brown, or black $2.65 to $5.50 pr.

FREE PARKING WHILE SHOPPING

Bay Street Section

EATON'S-COLLEGE STREET

Ripley Abitibi Plan Argued Before Court

(Continued from page 1)

should be submitted in the form of affidavits. Mr. Clarkson gave evidence to bring the company's operation up to date and reviewed conditions as brought out in his report to bondholders dated Oct. 7, 1937.

For the balance of the year 1937, Mr. Clarkson estimated earnings as follows:

Estimated Preliminary Earnings

	1937 $	1936 $
September	417,000	233,473
October	437,000	270,980
November	400-415,000	200,390
December	360-380,000	211,655

The October figures were actual figures from the company's books while estimates for November and December were based on information as to probable shipments and orders from Abitibi's sales agents.

Asked to give figures for costs in the various Abitibi mills, Mr. Clarkson showed the October, 1937, figures gave the cost per ton of newsprint at six mills as follows: Iroquois Falls, $21.74; Pine Falls, $25.08; Sault Ste. Marie, $28.44; Thunder Bay, $28.90; Fort William, $32.27; Ste. Anne, $36.07. The figures for Ste. Anne could hardly be taken as typical, said Mr. Clarkson, as the mill only started in September and produced 1,000 to 2,000 tons that month. The second machine was started on Oct. 2, but mechanical difficulties have only just been ironed out.

The company's production of newsprint was estimated by the receiver at 45,300 tons for November and 45,000 tons for December. Costs, according to Clarkson, were up about $2 a ton for newsprint and for 1938 he estimated that consumption would be about the same as far as Abtibi was concerned.

Discussing the company's working capital and the need for new money, Mr. Clarkson did not think that the $14 millions mentioned in the Ripley plan was too great for the company's needs. He calculated that this would leave approximately $7.5 millions for repairs and replacements and reorganization costs. Receivers' certificates outstanding totalled $2.6 millions which would probably be reduced to around $2 millions by the end of 1937.

Mr. Clarkson stressed the importance of immediate reorganization for the company, mentioning the contract with the Ontario Government as a vital factor. This agreement, covering timber limits and other matters, extended until June, 1938, with the privilege of extension.

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The Nation's Business

(Continued from page 1)

opportunities are of great importance.

Recent services rendered by Government House emphasize the wisdom of Premier Hepburn's change of attitude toward the office of Lieutenant-Governor. That Prime Minister King and Mr. Hepburn are now substantially in agreement on the subject is a fair reading of events.

They are apparently agreed that the office of Lieutenant-Governor is a useful one, serving a serious purpose in representing the unifying force of the Crown.

They are apparently agreed that the office should be held only by a person of distinction, good citizenship and wide experience in affairs.

They are apparently agreed that the office should be maintained in dignity through keeping open the present Government House that is by no means a magnificent or overly large institution.

By inducing Dr. Bruce to continue in office for some time longer they have ensured that the office will continue to be filled not only gracefully but usefully.

• • •

IN THESE days of half-mad dictators, of crumbling democracies, of social and economic unrest, of radical assaults upon all phases of the established order, the Crown represents in British countries the one remaining force for stability. It is just as important that the influence and prestige of the Crown be protected in the Canadian provinces as in the heart of the Empire.

Mr. Hepburn's recognition of this fact in his new attitude toward the office of Lieutenant-Governor has won him respect.

• • •

Alberta's Courts Aid Alberta Sanity

NOTHING is more noteworthy in Alberta than the clear, independent course taken throughout the Aberhart regime by the ordinary courts of justice—both civil and criminal.

On the one hand, legislative action in the name of "The Peepul" has repeatedly tended to undermine respect for ordinary justice. But where injustice has been done, the courts have without fear or favor rendered their judgments and maintained some semblance of balance and sanity to the provincial picture.

Only a few weeks ago, Rt. Hon. Lord Hewart, Lord Chief Justice of England, warned against the growing tendency on the part of governments, both here and in England, to attempt escape from superintendence and review by the ordinary law. It is this ordinary law and the respect for it among British peoples that give hope for an ultimate happy solution of Alberta's present difficulties.

• • •

Compromise Needed In Abitibi Fight

IT IS to be hoped that opposing interests in the Abitibi Power & Paper dispute make successful use of the excellent advice given them last week by Mr. Justice McTague.

After a four-day hearing for and against the Ripley reorganization plan, His Honor urged the opposing interests to reconcile their views and arrive at a compromise acceptable to all concerned. He expressed the view that it is not the court's place to act as arbiter or to insist on a settlement in cases such as Abitibi, but that holders of various classes of securities could do much to facilitate a settlement by coming to agreement before placing the matter before the court. Subsequently a joint conference was held by the opposing parties this week to attempt a settlement along the lines of the McTague suggestion.

Both in respect of saving heavy costs and involved legal argument and in achieving the main purpose of lifting Abitibi out of its legal and financial difficulties as quickly as possible, the McTague suggestion is sound and constructive. Every possible avenue toward such a settlement should be explored.

• • •

A New Business Plan For Governments

IF ALL Canadians viewed the work of the Rowell Commission as does George C. McDonald, president of the Canadian Chamber of Commerce, success of the study would be assured.

Not only is he cognizant of the importance of the study but in a letter to associated branches he has indicated that the Chamber of Commerce will tackle the problem from a strictly national point of view and will do all in its power to induce businessmen in every part of the country to do the same.

This is of supreme importance. Unless the national viewpoint is kept to the fore at all times there is little hope of success for the commission's study. It can be wrecked by provincialism and sectionalism.

As Mr. McDonald recently pointed out, the problem of the commission is twofold:

(1) To deal with financial problems of an immediate and pressing nature in some of the provinces.

(2) To evolve a new business plan for governmental collecting and spending that will appeal to the citizens of Canada as being fair and just to all.

• • •

MR. McDONALD believes a "new business plan" is needed. The Financial Post has continually stressed that the enquiry is largely a financial study and that it is the duty of the commission to evolve a pattern of government in keeping with our Federal system that will pave the way for economical and efficient administration. The commission has been asked to evolve an ideal pattern of government that will provide a proper reallocation of responsibilities and taxation as between the provinces and the Dominion.

In making its recommendations the commission should ignore political considerations, such as the feasibility of securing certain amendments to the B. N. A. Act. It has not, as Hon. R. B. Bennett seems to think, undertaken a constitutional enquiry. The constitutional aspect is a problem for the Dominion Government after the commission has determined the best possible reallocation of jurisdictions.

Canadian Mills Sign Contract to Supply Paper to Antipodes

(Continued from page 1)

1938—the Australian group will pay £13.10 sterling c.i.f. per long ton. This is equivalent to $60.53 per short ton in Canadian funds, taking the pound sterling at $5.

Tonnage will be prorated among the seven producers on the basis of the amount of tonnage each operator shipped to the Australian-New Zealand market in the last five years.

According to William Dunstan, general manager of The Herald and Weekly Times Ltd., of Melbourne, and the man who negotiated the contract on behalf of the Australian and New Zealand group, the contract calls for a minimum tonnage to be delivered each year.

Tasmanian Supply Protected

The group has guaranteed to take at least 75% of requirements from the Canadian mills. The Sydney and Melbourne Herald groups will require 140,000 short tons yearly and they will use only Canadian newsprint, until such time as the proposed Tasmanian mill comes into production, which is expected to be in 1942.

This group has a financial interest in the proposed newsprint development in Tasmania. A considerable amount of experimental work already has been carried out. Concessions have been secured from the Government; a mill site selected, and an experimental batch of wood processed at the Powell River plant. The cost of Tasmanian newsprint has so far been too high, but with the bonus proposed by the Government, it is believed that the mill can be put on a paying basis.

In this connection Mr. Dunstan reports that Canadian technical advice will be sought for the construction of the mill, operations, etc.

Greater Part of Supply

Contingent upon this mill coming into operation, the Melbourne and Sydney groups will depend upon the Canadian supply.

Taken as a group about 75% of the Australian and New Zealand publishers' requirements will be supplied by the Canadian companies mentioned. The balance of 25% represents tonnage placed, or to be placed, with the Bowater-Lloyds group in England.

Discussing opposition of American publishers to the $50 price for next year Mr. Dunstan said:

"I think the $50 price is a fair one," he said. "I have been over here since last May," he went on to say, "and in that time have had an opportunity of making a close survey of all conditions. I have found the Canadian producers fair-minded, with an ability to appreciate the consumers' special problem. The manufacturers, too, have their own weighty problems. Before entering into this contract I had the advice of New York and London interests, who agreed that the New York price basis was a good one for us. What we want is an assured continuity of supply as long as we can keep the price on a competitive basis."

U. S. Investigation

Reports have been circulated among the American newspaper publishers circle of a proposed Federal investigation on the newsprint "monopoly." It is contended that the manufacturers are fixing prices contrary to the Sherman anti-trust law.

Enquiry in Washington by The Financial Post shows that at the moment Washington doesn't know what its next move may be as regards "trust busting" and, therefore, any definite forecast that newsprint or any other group will be singled out for attack is at best guesswork. Further enquiry brings out the fact that whoever knows what is going to happen, knows more than the President and his associates who haven't given the matter any recent serious thought.

English publishers recently consented to revise their 1938 English contracts and increase their price from £10 to £11.10 per long ton in recognition of the increased costs of newsprint production.

Inter. P. and P. Pays Dividend

From Our Own Correspondent

MONTREAL.—Directors of International Paper & Power Co. have declared a dividend on the preferred stock of $1.25 for the current quarter and $1.25 on account of arrears, payable to shareholders of record November 26 on December 10.

The distribution was disappointing to the market generally, as it had been anticipated that the company would pay all arrears—the stock is cumulative from the beginning of the year. As a consequence the stock sold off in value.

Walker's Sells Sterling Bonds

£1 Million 4½% Debenture Stock Sold in London

Hiram Walker-Gooderham & Worts Ltd., through its wholly owned subsidiary Hiram Walker & Sons (Scotland) Ltd., has sold an issue of £1 million of 4½% 15-year sinking fund debenture stock to Lazard Brothers & Co., London, Eng. This debenture issue, which will be unconditionally guaranteed as to principal and interest by the Canadian company, is part of an authorized issue of £2 millions, and the proceeds will be applied toward reducing bank loans. The new debentures are not convertible.

Hiram Walker's Scottish subsidiary has been increasing its operations rapidly in the past two years. Last year it acquired the remaining outstanding shares of James and George Stodart Ltd., and the Stirling Bonding Co. as well as a controlling interest in George Ballantine & Son Ltd. The remaining shares of George Ballantine & Son were purchased this year as well as two malt whisky distilleries, Glen-Burgie at Forres and Milton-Duff at Elgin. At present the company is erecting a Scotch grain distillery at Dumbarton, near Glasgow, to have an initial capacity of 2½ million Imperial proof gallons a year and to be completed in March, 1938. The bank loans being paid off by the new issue were incurred through this expansion programme.

Sales Continue Up

Complete annual report of Hiram Walker-Gooderham & Worts gives greater details than show in the preliminary report. Sales for the year ended Aug. 31, 1937, were $64 millions, an increase of $9.2 millions over sales for the preceding fiscal period, or about 16%. Gross profit of $18 millions was up $3.5 millions or about 24% while net profits of $6.5 millions increased $1.7 million, or approximately 34%.

Inventories are up substantially and W. J. Hume, president, states that further additions will be made during the present fiscal year to ensure adequate stocks for the company's steadily expanding business. Actual figures show 14.6 million gallons of original gauge Imperial proof gallons of spirits on hand in Canada and Great Britain at Aug. 31, 1937, and 28.5 million gallons of original gauge U. S. proof gallons in the United States, the total valued at $18 millions. These figures compare with 13.4 million gallons and 19.2 million gallons at Aug. 31, 1936, respectively, valued at $12.8 millions.

Bank Loans Up

Working capital is down slightly, amounting to $20.2 millions against $20.5 millions a year earlier. A feature of current liabilities is the bank loans which were $11 millions at Aug. 31, 1937, compared with $1.5 millions a year earlier. It is stated that approximately $2 millions had been paid off the bank loans by Oct. 31, 1937, and the sale of £1 million ($4.9 millions) of new debentures in Great Britain will reduce bank loans by approximately the same amount.

Outstanding 4¼% convertible debentures amounted to $3,954,000 at Aug. 31, 1937, compared with $8 millions. During the year the company has redeemed $1.4 million of these debentures for cash and issued 64,004 common shares to the holders of $2.6 millions who exercised their conversion options.

Net $8.29 a Share

Net profits for the year ended Aug. 31, 1937, were equivalent to $8.29 a share on 724,004 common shares compared with $6.56 a share on 660,000 common shares in the preceding fiscal period. Dividends of $2 a share were paid on the common stock, but a regular rate of $4 a share has been established for the current fiscal year.

Total dividends paid during the last year were $1.9 million, leaving a balance of $4.6 millions to be added to earned surplus.

Minnesota & Ontario Depreciation Higher

Further details have been received on the profit and loss account of Minnesota & Ontario Paper Co. for the nine months ended Sept. 30, 1937. Total charges for depreciation and depletion for this period were $761,722 compared with $697,063 in the corrresponding period of 1936. The corrected figures appear below.

It is understood that the bondholders' protective committee have not yet prepared any plan of reorganization for the company and that it is too soon to be certain how much, or in what form, new financing, if any, will be required. Receivership for the company was terminated when proceedings under Section 77B of the United States Bankruptcy Act were instituted.

Profit and Loss Account

	Jan. 3 to Sept. 12 1937 $	Jan. 5 to Sept. 13 1936 $
Sales	11,192,047	8,684,678
Less: Cost of sales	8,689,515	7,149,441
Depreciation	520,855	495,049
Depletion	244,866	202,013
Gross profit	1,740,810	838,174
Less: Gen. exp., etc.	1,150,725	983,845
Operating profit	590,085	*145,671
Add: Other income	68,975	81,080
Net income	659,060	*64,591
Less: Head office depr.	5,482	4,877
Interest paid	44,727	16,161
Interest not paid	1,731,639	1,684,220
Other P. & L. items (net)	‡21,570	207,279
Reserve†	......	135,519
Net deficit	1,101,218	2,112,647
Less: Prev. surplus	6,730,105	10,025,285
Surplus forward	5,628,887	7,912,638

*Deficit. ‡Credit item.
†For redemption of National Pole & Treating Co. stock.

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Beauharnois-Hydro Power Agreement Enters Final Stages

(Continued from page 1)

validity of the existing contract has been upheld by the courts, though it is still subject to appeal. Moreover the new contract made by Hydro with Gatineau Power provides:

"Until the contract demand shall have reached 260,000 h.p., to purchase from the power company all power and energy generated in the Province of Quebec and used by the Commission in its Niagara System as now constituted (including frequency changers to serve other systems) except 40,000 h.p. from the Maclaren-Quebec Power Co., or its successor, and such power as the Commission may take from the portion of the Chats Falls development located in the Province of Quebec."

This clause in the Gatineau-Hydro contract is quite definite on the point that the Commission cannot make a contract with Beauharnois until the full 260,000 h.p. is taken; there is still 120,000 h.p. held in reserve.

Extend Gatineau Contract?

While it may be contended that the arrangement which Hydro is about to make with Beauharnois cannot be characterized as a "new contract," nevertheless it is felt that the Commission must make some concession to Gatineau.

Along these lines it is reported that Ontario Hydro will extend the 10-year contract held by Gatineau for an additional 10 or 15 years, and maybe even longer.

Such an arrangement might prove attractive to Gatineau which needs to refund its 6% debentures, amounting in all to nearly $15 millions. As the servicing of these debentures is very largely dependent upon revenue from Ontario Hydro, it is obvious that some difficulty might be experienced in marketing the debentures when the Hydro contract has less than 8½ years to run. Given a long term contract Gatineau would be in a position to make a better deal on the sale of its debentures, with a considerable saving in interest charges and financing costs.

Further the existing power lines to Leaside are of a limited capacity and Hydro would not be in a position to call upon any Beauharnois reserve power until such time as the transmission line was duplicated.

Now Need Power

From Ontario Hydro point of view developments of recent date indicate the need for a larger supply of power. The original contracts with the four Quebec companies were based upon anticipated increase in demand which failed to materialize during the depression years, resulting in an oversupply of power. The load on the Niagara System has increased sharply of late and it is now more evident that the original estimates were correct, making it necessary to provide for a larger power supply, if not for immediate requirements, then to be held in reserve for future needs.

Settle Court Litigation

The second development has to do with the litigation forced upon the Commission by Beauharnois to establish the validity of the cancelled contract. The efforts of the company along this line have been attended with considerable success so far, but a new power arrangement with the company would undoubtedly mean the dropping of the litigation.

Thirdly there is the change in the personnel of the Ontario Hydro Electric Power Commission of Ontario. The new board has a greater technical knowledge and awareness of the needs of building up an adequate power supply to meet present and future requirements. For that reason it is regarded as more sympathetic to the idea of a saw-off with Beauharnois.

On the strength of the reported early agreement between Ontario Hydro and Beauharnois, the bonds and stock of the latter have shown strength marketwise. Without the Hydro business, the company had little prospect of paying interest on its 5% bonds, but with this business, Beauharnois is in a stronger position to meet its obligation.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Arthabaska, Que.	Nov.	Credit Anglo-Francais	3½%	30-ser.	$45,000	95.78	....
St. Joseph de Grantham	Nov.	Comptoir Nationale de Placement	4%	1-30 yr.	75,000	....	....
Provincial—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
New Brunswick	Nov.	Dominion Securities, Bell, Gouinlock & Co. and Syndicate	3%	1940	$6,500,000	*99.75	3.09%
			4%	1947		*99.75	4.03%
Ontario	Nov.	..	2%	1941	$25,000,000	*99.25	2.25%
			2½%	1945		*97.50	2.87%
			3¼%	1951		*98.50	3.38%
Dominion—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Canada Treasury Bills	Nov.	..	...	Feb. 15/38	$25,000,000	99.794	.516%

*Offering price.

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Box 8, The Financial Post
Toronto

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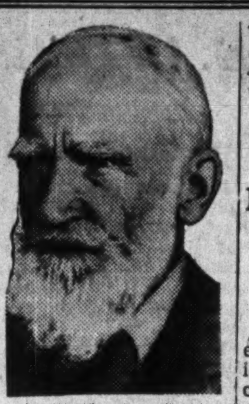

G. B. SHAW

Some Authors Should Be Seen, Others Read, Says Columnist in Intimate Sketches of Shaw, Arnold Bennett, Arlen and Others

LONDON

This is the time of the year when those of us who are associated with London newspapers become extremely literary. It was Oscar Wilde who remarked that "a literary gentleman" is a vile phrase. Nevertheless that is what Scrutator, Autolycus and Atticus and their colleagues are in danger of becoming during the next fortnight.

In other words the National Book Fair is opening when the happy but hazardous experiment of bringing authors and readers together will once more be carried out. Authors, it seems to me, are sharply divided into those who should be seen and those who should be read. Myself when young did eagerly frequent the works of Bernard Shaw, Arnold Bennett, H. G. Wells and John Galsworthy when my only acquaintance with them was through the printed word. Later when I came to know them it was never wholly possible to recapture the feeling that these men were gods.

Mr. Shaw was my first surprise. I had occasion to call the great man up in connection with his possible appearance at the matinee of one of his plays. Tremblingly I heard his footsteps approach the telephone, but was agreeably surprised at the pleasant Irish lilt of his voice. "Have you seen my play?" he asked. I told him that I had and hoped he would not mind my saying that it was a brilliant piece of work. He did not mind. "Have you seen any other plays of mine?" Yes, I had seen them all and prompted by him poured such libations upon each one as left the arteries of flattery exhausted. As there was nothing more to be said he agreed to come to the matinee and I went home to ruminate on the astonishing similarity between little men and great men—a thought which comes back from time to time in the political arena.

Yet it must be confessed that on subsequent occasions over a period of years my meetings with Mr. Shaw did not recall something of the hero-worship of the earlier days when he flogged our lethargic intellects into an unwonted and equally unwanted activity. As it is to be expected from one of such perverse temperament, he has always been most diligent in creating a false impression of himself for the public. If an interview has to appear in a newspaper he prefers to write it himself, giving forth misanthropic wit, irreverent jibes and iconoclastic philosophy. Many a junior reporter has startled his editor with a magnificent interview with Shaw and been given promotion on it—until the editor found out. In conversation Shaw is sincere, kindly, remote from humanity but with a scorn for it that is really pity. His belief in his own immortality is complete. "You will come to see this play in 300 years time," he once said to an audience. They laughed loudly and applauded. The jester was in form. But I was in the box from which he spoke and knew that it was anything but a joke to him.

Arnold Bennett was always of the opinion that Shaw would outlive all his contemporaries. "The music of his language will hold the public even when they don't know what his plays were about." Certainly music played a vital part in the "Shavian" style. Even his "Back to Methuselah" with its cycle of plays must have been suggested to him by Wagner's Ring.

• • •

Meticulous A. B.

It was impossible not to love Arnold Bennett. Never was there a more sincere artist. Never was there an author whose vanities were so innocent and whose heart was so warm. Yet even with him something was lost by personal contact. One could read the meticulous detail of "The Old Wives' Tale" and wonder at the limitless imagination of an author which could plumb the secrets not only of the boudoir, but of the kitchen and the scullery. Then to find that in his own life none of his servants was allowed to purchase as much as a pound of tea! Instead the ordering and the accounting came directly under his supervision. He could probably have told the exact reserve of eggs or butter without going near the pantry.

John Galsworthy, like Madame Chiang Kai-Shek, was fond of Bach. He never liked the voluptuaries such as Wagner and Verdi. There must have been a candle lit somewhere in his breast because his life showed that his actions were swayed by deep emotions. But he dreaded the expression of emotion almost like a schoolboy. To be near him at a dinner was like sitting by a pillar in a cold church. It added a special chill of its own. That will be indignantly denied by those who knew him well. All I can do is bow my head in remorse, but reiterate that one must write of men as one finds them. The other night I picked up a volume of Forsyte stories. Once more I found that Galsworthy's curious combination of naïveté and austerity failed to grip. Perhaps he and Bach will arrive together in my understanding. In the meantime it must be admitted that when one was in his presence the marble dignity of his personality dwarfed everyone around him.

• • •

The Moderns

What writers of today can stand the ordeal of personal contact? I have an incurable liking for the company of Michael Arlen. Last Monday we journeyed together in the torrential rain to lunch at the House of Commons. Arlen, who is interested in everything, was vastly intrigued by the party at the next table which consisted of Mr. Eden, Viscount Cranborne and two of their colleagues. The Foreign Secretary ate his lunch with a red dispatch box on his knees. This I am sure will certainly appear in the next Arlen opus. We knew that Anthony Eden was going to speak that afternoon but we did not suspect that the luncheon was a prelude to his standing up and delivering to Signor Mussolini as stiff a right as has been seen for some time in the political ring. Arlen has a rare gift of humor. It inspires his own and his companion's wit. In fact it is only his keen appreciation of the absurdities which restrains his almost unlimited sentimentality. He also has a really shrewd understanding of the New York stock market which gives his conversation an admirable sense of topicality for these days.

• • •

Sir Hugh Walpole

Sir Hugh Walpole can look his readers in the face without fear of their disillusionment. He has style. He has *brio*. There is a vitality about him which is natural and not nervous. Life has treated him well and in return he finds much in life to please him. He is a frequent attendant at the opera and prefers the unpopular bits. That perhaps is the natural trade unionism of artists. They feel that the least they can do for each other is to applaud those portions of a work which the public ignores. Besides it gives an exclusiveness to one's enjoyment, like Ludwig having Tristan performed entirely for himself. Sir Denison Ross expressed that attitude perfectly when he replied to a lady who had asked him if he had read "Gone With the Wind"—"why should I? A million other people have read it."

• • •

Noel Coward

NOEL COWARD

Noel Coward—now, I believe, a member of the Athenaeum Club—definitely talks better than he writes. Therefore he need never fear the intimacy of contact with his public. His declining output is partly due to the misfortune of having made a considerable fortune too soon and partly because he is out of touch with the modern world. It was never my opinion that he was the beginning of a new era as so many people thought. It is more nearly true that he was the last of the literary dynasty shattered by the war. He fought almost savagely for a new technique but his artistic sympathies could not throw off the influence of Wilde, Maugham, Gilbert and Sullivan and even Pinero. Perhaps we shall yet see a modernized Noel Coward. If that comes to pass it will be important. In the meantime he remains a brilliant figure of the old school, a charming and stimulating companion, and a man of no small importance.

• • •

Winston Churchill

Finally the Book Fair is to be opened by an author who is supremely at home with the public. I refer to Mr. Churchill whose importance rises above the vagaries of political fortune. Nothing now can enhance the splendor of that ebullient personality which combines the spirit of the subaltern with the experience of a major general. It is difficult to assess him as an author. He is so supremely the brilliant journalist, the contemporary historian, the commentator on events. He has a gift of the glowing phrase which can illuminate men and affairs and lift the commonplace to the epic. That may color history at times, but it gives us great drama. Indeed if he had not been so fine an actor he might have been the outstanding dramatist of his age. To him the world is a vast theatre where the clash of wills and the impact of events strike blinding flashes that terrify and fascinate the eyes of men.

• • •

Major Lloyd George

The hereditary principle is strong in the House of Commons and nothing rejoices the old Mother of Parliaments more than to see a worthy son of a worthy sire tilting in the political lists. Nevertheless it is not easy for the second generation if it follows on a career as dazzling as that of Mr. Lloyd George. Yet his son, Gwilym, has won a place for himself at Westminster and when he rose to move the Liberal amendment last Tuesday he was cheered as heartily by those whom he was about to destroy as by his own pack. It was interesting to note the similarity of characteristics between father and son in spite of the physical disparity. Mr. Lloyd George invokes the lightning. Gwilym is so tall that he looks as if he could reach for it. In fact if he had not launched on a political career he might have brought to Wales the glory which was reserved for the fists of Mr. Thomas Farr.

His speech on Tuesday was excellent in style. Like his father he lures his victims to a false security and then launches his shafts when least expected. But whereas Mr. Lloyd George threatens the Government Front Bench with destiny, his son gives the impression that he might pick it up bodily and walk off with it.

How far will Gwilym go? He has many obstacles to overcome. There is the overpowering career of his father. Then there is the undeniable fact that he is the most popular member of the House—and since when did popularity carry a man to the heights? Finally he has a most charming wife who rejoices in his company and he in hers. One of the shrewdest of men once remarked: "Woe to any man whose wife is not as a thorn in his side!"

A friend said to Mrs. Lloyd George the other day that she supposed she would like her two sons to grow up like their distinguished grandfather. "That would be wonderful," said Gwilym's wife, "but I am hoping they will grow up to be like their father." This is not the kind of wife to drive a man into the teeth of the gale, to give him no rest until he brings back the treasure thrown up on the sands of ambition. In spite of all this they say that Gwilym will be the next Speaker. If so he will be an excellent one, for his knowledge of parliamentary procedure is comprehensive and if he had to exert discipline we should soon find that the Major of Artillery has not been lost in the politician.

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Paper Output Slows Down

Newsprint Production for October Still High, But Daily Rate Lower

From Our Own Correspondent

MONTREAL.—Curtailment of operations in Canadian newsprint mills is not reflected in the October report of production, issued by the Newsprint Service Bureau, because the slowing down did not take place until toward the end of the month and also because October had a larger number of working days than September.

Last month Canadian mills produced 314,594 tons of newsprint and shipped 322,661 tons. This compares with production of 301,106 tons and shipments of 307,250 tons for the same month a year ago.

Production in the United States during October was 78,352 tons and shipments 72,127 tons, as against an output of 81,027 tons and shipments of 81,554 tons in October, 1936.

During the past month 28,638 tons of newsprint were made in Newfoundland, compared with 30,677 tons a year ago.

The total North American production for October amounted to 421,584 tons, as against 412,849 tons in October, 1936.

Canadian mills produced 440,181 tons more in the first ten months of 1937 than in the coresponding period of 1936, an increase of 16.9%.

The output in the United States was 23,527 tons, or 3.1% more than in the first ten months of 1936; and in Newfoundland 27,292 tons or 10% more, making a total North American increase of 491,000 tons, or 13.5%.

Stocks of newsprint paper at the end of October were reported at 81,317 tons in Canadian mills and 27,692 tons in United States mills, making a combined total of 109,009 tons compared with 110,851 tons on September 30, 1937, and 75,998 tons at the end of October, 1936.

Fanny Farmer Net Again Up

Profits Rise 32% in First Ten Months of 1937

An increase of $90,770 in sales and $8,114 in profits over corresponding month of 1936 are reported by Fanny Farmer Shops for Oct., 1937. Sales of $4.9 millions during the first 10 months of the year were higher by $742,000, while profits were $134,174 larger.

The percentage gain in October was less than that of the previous month, due to increased costs, it is reported. Two new stores were opened during the month, and four more are being opened in November, at the end of which month there will be 216 units in operation.

Actual figures for sales and profits follow:

Sales and Profits

October:	1937	1936	Incr.
	$	$	%
Sales	575,314	484,544	18.7
Profits	90,823	82,709	9.8
Ten Mos. End. Oct. 30:			
Sales	4,889,557	4,146,801	17.9
Profits	558,597	424,422	31.6

Income is Higher For Aldred Corp.

Market Value of Holdings Off During the Past Nine Months

From Our Own Correspondent

MONTREAL.—Aldred Investment Corp. (Canada) reports a net profit for the nine months ended Sept. 30, 1937, of $7,284, including a profit of $4,948 on sales of securities. A net loss of $5,227 was shown for a similar period last year. Net profit for the third quarter of this year was $1,150 as against a loss of $1,514 for the like quarter of 1936.

Market value of investments as at the end of September last was $1,204,462, compared with book value of $2,408,708. As at June 30, quoted value was $1,314,043 and book value $2,410,344 and at March 31 quoted value was $1,424,674 and book value the same as at June 30.

The liquidating value behind each $100 of debentures on Sept. 30 was $78.26, down from $85.38 three months before and $93.23 on March 31.

Gleneagles Investment Reports Moderate Advance

From Our Own Correspondent

MONTREAL.—Moderate improvement in operating conditions is reported by Gleneagles Investment Co., operating "Gleneagles," an apartment building in Montreal.

At present all furnished apartments are leased and the building is 95% rented. The company has, in part, met its obligations to bondholders under terms of the reorganization adopted Nov., 1933, and the present bond interest arrears amount to about 9%, but a further payment is anticipated at the end of this year. Bond interest arrears were about 6.75% as at the end of 1936.

Operating expenses, including taxes, are higher than a year ago, while income has shown little improvement. Enquiries for furnished apartments, according to officials of the company, have shown an increase over last year, particularly during the past two months.

Metropolitan Commission Extending Supervision

From Our Own Correspondent

MONTREAL.—The Montreal Metropolitan Commission is to exercise greater control over the financial administration of the bankrupt town of Pointe-aux-Trembles, which is under its jurisdiction.

At a recent meeting, the commission decided to extend the appointment of its chief accountant, J. H. Levesque, as inspector of the towns of Montreal North and St. Michel to Pointe-aux-Trembles. Improvement in bookkeeping methods of the three municipalities has been recommended by Mr. Levesque and more efficient collection of water taxes and license fees.

In conjunction with the secretary-treasurers of the three municipalities, Mr. Levesque has been authorized to reassign the duties of the personnel.

A GOOD "PROVIDER"

. . . . FOR THE FUTURE?

Often a man concentrates so closely on providing for his family from month to month that he does not get around to planning for the future.

Yet in nearly all cases, an hour or two of thought—in consultation with an attorney for drafting or remodeling a will—may strengthen a family's defense against the future immeasurably, even without the accumulation of additional property.

We suggest that you "take some time off" from the business of providing for your family in the immediate present and devote it to providing for their future.

We shall be glad to discuss the practical working aspects of estate administration with you at your convenience.

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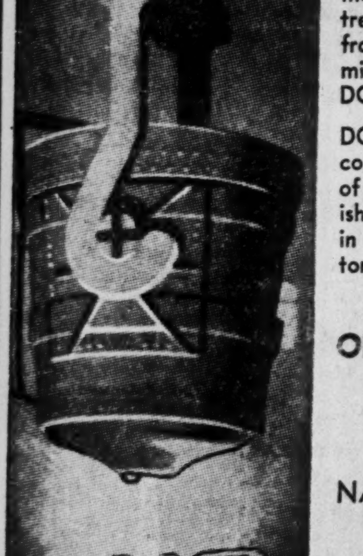

RELIABILITY

DOSCO open hearth steel is made from ore mined and treated by DOSCO, with coal from DOSCO'S own mines, in mills owned and operated by DOSCO.

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for 1938

Illustrated—Oldsmobile "6" Sedan with trunk.

THE BIG NEW CAR THAT HAS Everything

★ Everything for Comfort

Big, roomy and smartly appointed—the new 1938 Oldsmobile is built for real comfort. Fisher No-Draft Ventilation circulates plenty of fresh air without annoying drafts. Knee-Action Wheels smooth out the rough roads. And Dual Ride Stabilizers, front and rear, hold the car on even keel on curves and turns.

★ Everything for Performance

Drive this powerful new Oldsmobile Six. Its big 95 Horsepower engine ensures top-flight performance and more miles to the gallon. Oldsmobile's modern features include Vacuum Fuel Saver—Full-Pressure Lubrication—Automatic Choke—and Completely Cooled Cylinders.

★ Everything for Safety

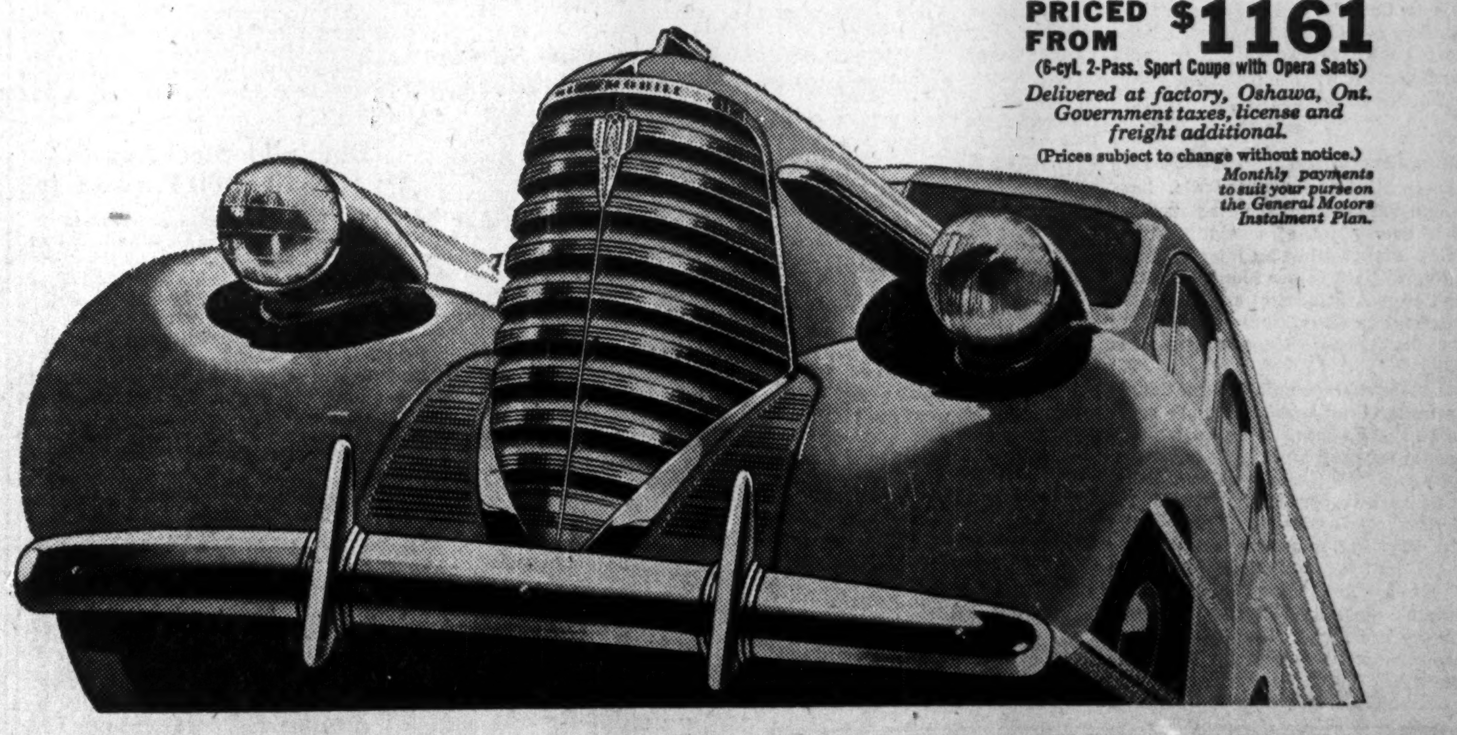
Oldsmobile safeguards you with the Unisteel Turret Top Body by Fisher. Super Hydraulic Brakes bring the car to a quick safe stop. Multi-Beam Headlights ensure safer night driving. And Center-Control Steering holds a true course on any road.

★ Everything for Value

Your money never bought so much as it does in the new Oldsmobile. Here is the Style Leader for 1938—a big fine car that you will be proud to own. A quality-built car, too, that ensures dependability and freedom from servicing.

8 cylinder, 110 horsepower models also available.

PRICED FROM $1161
(6-cyl. 2-Pass. Sport Coupe with Opera Seats)
Delivered at factory, Oshawa, Ont. Government taxes, license and freight additional.
(Prices subject to change without notice.)
Monthly payments to suit your purse on the General Motors Instalment Plan.



OLDSMOBILE

O-388

See the 1938 Oldsmobile models on display at your local dealer's showroom

Investment Trends

Stocks Have Not Given Definite Trend Signal

Investor Can Afford to Wait Greater Certainty Before Making Commitments — Dairy and Paper Shares Conditions Outlined

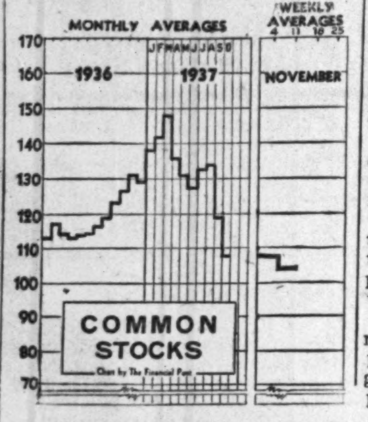
Last April, the month-to-month trend of stock prices was denoted as downward when the decline from the March high broke through levels at which resistance would ordinarily occur. Since then, the trend has been marked as definitely downward. Recent movements in market averages, however, suggest that there is now an effort for the trend to reverse. As yet, however, the signals for a reversal to an upward zig-zag have not been posted.

Market averages show that stock prices in general have been moving sidewise following the moderate rally from the low points reached in October. This irregular levelling, or line formation, is taken by chart readers as an important development. A sharp break of prices upward following such irregularity would be suggestive of a reversal of the downward trend of the past few months.

A break downward would receive a pessimistic interpretation, suggesting that the long-term rise of prices, which has been under way since 1932, was being turned into a depression market. Up to the present, the decline has been regarded as temporary in nature, and not as a reversal of the major swing of prices to prosperity levels.

Size of Rebound

Now that stock markets have had time to take a breath following the sharp August-October slump of prices, the averages show recovery of 10% to 15% from the year's low points. The Dow-Jones average for industrials in New York has held well above the danger level of 125. The Toronto Stock Exchange average for industrials has been above 120, compared with the October low of 110.6. And the Montreal Stock Exchange index for industrials has recovered from a low of 61.4 by about 10%.



The proportion of the rebound from the low points is not sufficient to be regarded as a full recovery. And while this leaves room for the interpretation that further recovery should develop, it also carried a suggestion that the sag has not been completely removed from the markets.

The final test as to whether the decline has run itself out may not come until there is a considerable further recovery or until there is another brief decline. The time element assumes importance in this, so the careful investor can still afford to await more definite developments before making large commitments.

* * *

Paper Shares

The feeling among investment men appears to be growing that the outlook for securities of paper companies is not as bad as it might appear on the evidence of high supplies and the recent moderate restriction in production. Opinion seems to be turning toward balance along the line that newsprint shares may not be as good as was indicated by markets last spring but that they have better chances than the recent depressed prices would suggest.

Some important developments concerning newsprint securities should occur in the next six months. First, there is the seasonal increase in use of paper in the United States which may eliminate the greater part of the recent rise in supplies of newsprint. Second, there is the question of the price of paper for the last half of 1938. Even if there were no increase from the $50 price, certainty on this point should not hurt newsprint securities.

* * *

Business and Stocks

Summarizing comments of experienced business observers on the outlook in the United States, A. E. Ames & Co. comments that few believe another major depression is on the way. The broad conclusion is that a moderately severe intermediate recession in business can be anticipated but there are still present fundamental factors making for eventual recovery. Chief among these factors are numbered the favorable condition of plentiful credit and the substantial amount of deferred replacement left over from the Great Depression.

Similar comments would be applicable to Canada where the sluggish recovery of building and construction alone shows the scope for further improvement when a period of hesitation has been completed.

* * *

Farm Implements in Australia

International Harvester Co. has announced plans for the construction of a new plant at Geelong, Australia. Plant will be built by its Australian affiliate, International Harvester Co. of Australia, at a cost of approximately $2 millions. The plant is to be in operation some time in 1938.

This should permit International Harvester Co. to compete more successfully for a share of the Australian market for farm machinery in which Massey-Harris Co. is well established through its connection with H. V. McKay Massey-Harris Proprietary Ltd. Several reasons are stated to be behind the International Harvester move. For trade in Australia certain specialized types of machinery are required, which can be made more satisfactorily in that country.

Investment Notes

Marcus Leow's Theatres—Operations for the year ended Aug. 26, 1937, are expected to show results little different from those of the previous period, when $12.51 was earned on the preferred, and $4.80 on the common. During the year, $3.50 was paid on account of preferred arrears. Attendance at the company's two theatres has been well maintained, but information as to final profit results are not yet available.

* * *

Loew's London Theatres — Little change from the year previous is expected in earnings for the year ended Aug. 28, 1937, although complete returns will not be available until the annual report is issued next month. In the 1935-1936 period 33 cents was earned on preferred stock, and 35 cents was paid in dividends, compared with annual requirements of 70 cents. In the latest period, 17½ cents was paid, but since the close of the year, a further payment of 35 cents has been distributed. Attendance at the company's theatre has been well maintained.

* * *

Massey-Harris—In a review of the company and its prospects, Moss, Lawson & Co., Toronto stock exchange firm, estimates sales for 1937 at $25 millions, compared with actual sales of $19 millions in 1936. In view of the increase in sales estimated, Moss, Lawson & Co. calculate that earnings for the year ending Nov. 30, 1937, will be equivalent to between $8 and $11 a share on the preferred, after all charges.

* * *

S. E. C. Summary of Security Transaction — The following items are taken from the list of September transactions of officers and directors:

Canada Dry Ginger Ale—P. H. Littlefield acquired 25 shares; James M. Mathes, vice-president, holds none directly, but through Jaruth Inc. increased holdings by 2,320 shares to 2,420 through exercise of rights; Roy W. Moore, president and general manager, acquired 20 shares through exercise of rights and holds 120 shares; Charles S. Munson, director, increased holdings 120 shares to 720 through exercise of rights; Carleton H. Palmer, director, holds 97 shares and sold rights for same amount; P. D. Saylor, chairman, holds 11,344 shares and sold all rights received.

Dome Mines—Dwight B. Lee, director, increased his holdings by 1,000 shares to 6,000 shares.

Robert Gair Co.—G. W. Gair sold 1,000 common in July and bought same amount in September, holding 2,666 common; disposed of entire 4,583 shares held through a holding company.

Howe Sound Co.—Evander B. Schley, director, bought 100 shares, holding 18,876 shares.

International Hydro-Electric—Coulter D. Young, secretary, decreased holdings of class A by 400 shares to 106 shares and acquired 100 shares convertible preferred.

International Mining—H. C. Hoffman, secretary and assistant treasurer, increased holdings 35 shares to 100; Scott Turner, vice-pres., increased his holdings 100 shares to 200.

International Utilities—American Equities Corp. increased its holdings of class A by 500 shares to 17,608 shares and holds 336 warrants for class B, increased holdings of $7 prior preferred by three shares to 15, increased $3.50 prior preferred by 122 shares to 10,066, and increased $1.75 preferred by 300 shares to 10,232.

McIntyre Porcupine — Balmer Neilly, treasurer, bought 100 shares and holds 1,005 shares.

Pantepec Oil Co.—Carill Tucker, director, increased his holdings 1,000 shares to 35,509.

Paramount Pictures Inc.—Stanton Griffiths, director, holding 1,000 common, 1,000 convertible first preferred and 1,000 convertible second preferred directly through Hemphill, Noyes & Co. in which his proportional interest is not shown, sold all his 3¼% debentures ($42,000); Maurice Newton, director, holding 8,118 common and 2,813 convertible second preferred through Hallgarten & Co. (proportional interest not shown), disposed of his 200 first preferred and $95,000 3¼% debentures.

* * *

Southern Canada Power—October returns, the first month of the current fiscal year, show not only an increase in gross earnings, but a healthy advance in surplus after payment of all charges, including dividends. Surplus last month totalled $5,774 as against $935 a year ago.

* * *

International Paper—On indicated earnings of better than $9 a share for the year, expectations were that the company would pay off all arrears of dividends on the preferred stock, cumulative from last January. Partial payment, while disappointing, is regarded as the more prudent policy in view of the uncertain outlook for kraft paper, of which the company is one of the principal American producers.

* * *

Asbestos Corp.—Stock came to life this week on the reports of new contracts signed at a higher price. The common is still a long way from the high of 120 reached earlier in the year and below the $75 figure at which stock was recently taken up by shareholders. Prospects continue favorable, however, and some action on a dividend is looked for in the near future.

* * *

MacKinnon Steel—Resumption of dividend payments on the preferred stock indicates that the heavy industries in this country have not suffered to the same extent as in the States. Shareholders were told at the annual meeting that the company has a good volume of business on hand.

* * *

Beauharnois—Beau 5's moved up and down sharply this week. Rumors and cross-rumors that the company had made, and had not made a new agreement with Ontario Hydro were the cause. Unless some unforeseen snag crops up, differences between the company and the Hydro have been amicably settled.

* * *

Canadian Foreign Investment — Does not expect to be affected by the recent change of Government in Brazil as there is no indication that operations of foreign companies will be interfered with. Canadian Foreign controls Brazilian Portland Cement Co., a Brazilian incorporation.

Sherwin Paints Revenue Better

From Our Own Correspondent

MONTREAL. — Sherwin-Williams Co. of Canada's financial statement for the year ended Aug. 31 last, which will be released next week, is expected to show an improvement in earnings over the previous year when $7.58 a share was earned on the 7% cumulative preferred stock.

Some action will likely be taken before long to liquidate arrears on the preferred. Dividends have been paid regularly since 1935, but in 1933 and 1934 payment was deferred resulting in an accumulation of $14 in arrears.

Appeal Decision On Power Case

Nesbitt, Thomson and Co. Will Appeal Montreal Island Decision

From Our Own Correspondent

MONTREAL. — Nesbitt Thomson & Co. is appealing the decision of the Ontario Supreme Court in favor of Joseph M. Pigott, head of the Pigott Construction Co., Hamilton, in his suit for return of moneys invested in Montreal Island Power Co.'s stock.

The plaintiff charged that the sale of preferred and common shares was made on the basis of statements in the prospectus.

The case hinged on whether or not there was sufficient water available to the company's power plant to provide a reliable head of water, which would develop 65,000 h.p.

The court found that there was not sufficient water to provide the power claimed in the prospectus and gave decision in favor of the plaintiff.

N. B. Offering $6.5 Millions

Premier States Road Construction to be Finished Next Year

NO FURTHER PROGRAM

From Our Own Correspondent

MONTREAL.—A syndicate of investment dealers and banks headed by Dominion Securities Corp. and Bell, Gouinlock & Co. are offering an issue of $6.5 millions of New Brunswick bonds.

The offering consists of 3% bonds due Nov. 15, 1940, and 10-year 4% bonds, due Nov. 15, 1947, and both maturities are being offered at 99.75 to yield 3.09% and 4.03% respectively. Bonds will be payable in Canada and New York while the 4% bonds will be callable as a whole on or after Nov. 15, 1945.

No definite allotment of the $6.5 millions issue as between the three-year and ten-year bonds has been made. The amount of each issued will depend upon demand.

Not Firmly Underwritten

While no announcement has been made by the Government, The Financial Post is informed that the issue is not firmly underwritten, but that it has been taken by the syndicate on an option basis.

Proceeds of the issue will be used to repay bank loans incurred to finance $4 millions of road construction, a $424,000 deficit on ordinary account for the year ended Oct. 31, 1936, and unemployment relief of $141,000.

Gross Debt $85 Millions

According to information furnished by the New Brunswick Government to underwriters, gross funded debt and temporary loans, after giving effect to the current financing, amount to slightly more than $85 millions. Sinking funds as at Oct. 31 last exceeded $10 millions so that net funded debt and temporary loans were $74.9 millions. Included in these figures are $9.4 millions of revenue-producing debt and sinking funds for same of $2 millions.

Budget results of the province on ordinary account during the past seven years are tabulated below:

Revenue and Expenditure
Ordinary Account
Years Ended Oct. 31

	Revenue	Expenditure	Deficit
	$	$	$
1937*	7,715,355	7,955,023	239,668
1936	6,845,984	7,270,953	424,969
1935	6,342,491	7,045,608	703,117
1934	5,436,508	6,313,060	876,552
1933	5,176,468	5,605,985	429,517
1932	5,795,630	6,360,893	565,263
1931	5,980,914	6,761,420	780,506

*Estimated.

In discussing the sharp increase in the debt of the province in recent years, arising out of the road building programme, Premier A. A. Dysart, in a letter to the underwriters, states that the completion of work covered by existing contracts involves the expenditure of $4.6 millions in 1938, which will bring the total cost of road construction for the 1934-38 period to $18.3 millions. Expenditures in the current year have totalled $8 millions.

No Further Expenditures

The Premier states, however, that "no further programmes involving substantial capital expenditures are under contemplation or in anticipation."

Premier Dysart further states that the Government expects that the increased revenue from gasoline tax and automobile license fees will be sufficient to meet the debt charges on the increased debt.

He also says that "it is the settled policy of the Government to turn deficits into surpluses. Further, it is the intention of the Government to survey completely the whole debt structure and to make provision for debt retirement on a sound actuarial basis over a reasonable span of years and to provide the necessary fund to that end."

United Amusement Corp. Increases Dividend

MONTREAL.—An increased dividend rate for United Amusement Corp. is indicated by the declaration of a dividend of 45 cents a share on the class A and B stock, payable Nov. 30 to shareholders of record Nov. 15.

In 1936 the company paid two semi-annual dividends of 30 cents each, plus an extra of 10 cents at the year end. In May of this year a further payment of 30 cents a share was made.

Total payments this year will amount to 75 cents a share, compared with 70 cents a share last year.

Profits last year were equivalent to $1.10 a share on the class A and B stock

Dominion Steel Awards $300,000 Furnace Job

From Our Own Correspondent

MONTREAL. — Dominion Steel and Coal Corp. has awarded the contract for rehabilitation of its blast furnaces at Sydney to Arthur G. McKeen Co. The contract involves the expenditure of approximately $300,000.

It will take about four months to complete the work and about 100 men will be employed.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip 8	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied prod. 13	Beverages 7	Bldg. mater. 14	Power and traction 15	Banks 9	Total utilities 19	Total co's 96
1929-36:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	205.4	281.1	197.6	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1937:												
Jan.	156.3	37.2	119.6	229.6	77.3	184.2	141.0	197.0	91.1	94.4	68.5	137.4
Feb.	163.4	36.7	120.7	235.2	78.5	188.2	139.3	203.5	97.5	96.7	73.1	142.4
Mar.	168.3	40.2	127.0	247.7	80.2	190.0	141.8	213.4	94.7	95.9	71.0	147.2
Apr.	157.5	47.1	117.4	230.4	79.9	182.4	133.4	204.8	85.1	94.0	64.1	136.2
May	151.3	38.5	109.4	229.6	77.5	178.5	128.4	188.4	84.0	92.7	63.0	132.2
June	148.1	38.2	103.7	220.2	77.7	177.7	131.0	179.6	84.1	92.3	63.2	129.4
July	146.0	40.5	102.0	222.6	79.7	182.1	136.1	188.7	88.0	90.2	63.9	133.0
Aug.	151.2	40.4	95.2	223.6	79.5	182.0	136.9	192.7	90.4	89.9	65.2	135.2
Sept.	122.8	29.3	89.1	205.3	73.3	167.9	118.3	159.4	78.6	84.9	57.4	118.9
Weekly Figures, 1937:												
Oct. 7	116.2	26.5	78.4	201.8	71.7	162.3	113.8	145.1	76.8	82.6	55.8	113.6
Oct. 14	107.3	22.4	72.8	196.0	71.2	161.4	107.5	136.8	72.8	82.4	53.0	108.1
Oct. 21	98.5	20.9	66.4	186.6	66.1	149.6	102.1	127.5	67.6	80.5	49.9	102.2
Oct. 28	106.9	23.0	73.6	195.2	68.5	153.7	107.4	134.6	71.7	80.8	52.2	106.7
Nov. 4	109.5	23.0	78.2	196.5	69.1	158.0	114.2	138.3	72.9	80.4	52.9	108.0
Nov. 11	105.7	21.1	78.3	192.9	68.9	155.7	118.2	131.8	71.0	80.0	51.6	104.8

*High and low for years from 1929 to 1936 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Nov. 16	123.67	119.70	112.41
Nov. 15	123.90	118.64	112.22
Nov. 13	125.13	118.23	113.02
Nov. 12	124.66	119.57	114.34
Nov. 11	Holiday		
Nov. 10	126.72	121.08	112.65
Month ago	124.38	108.00	115.16
Year ago	160.56	144.88	175.70
High, 1937	187.67	163.59	215.36
Low, 1937	110.63	96.27	97.01

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Nov. 16	68.4	75.4	73.1
Nov. 15	68.1	75.7	73.2
Nov. 13	67.8	75.6	73.0
Nov. 12	68.3	76.0	73.5
Nov. 11	Holiday		
Nov. 10	69.0	76.2	73.8
Month ago	65.1	66.2	65.9
Year ago	79.7	97.8	91.8
High, 1937	92.5	122.3	109.5
Low, 1937	64.0	61.4	62.3

B. C. Outlines Brief For Rowell Enquiry

In his budget address to the British Columbia legislature, Hon. John Hart, provincial treasurer, points out that the Rowell Commission study on Dominion-provincial relations entails consequences vital to the life of the Dominion and of the provinces.

In commenting upon the major subjects which will be discussed by the British Columbia brief, Mr. Hart says, in part:

Political Aspects

"The first subject deals with political aspects of the union with Canada. This in itself is a rather broad field, as it touches such matters as the problem of undeveloped areas uniting with older provinces; the governmental functions retained by the provinces; and, generally, all matters of local or private nature within the province. It also covers changes in the scope and concept of Government services and the position of municipalities under provincial jurisdiction. It leads to a discussion of financial provisions for provincial and municipal governments; with the governmental functions assumed by the Dominion; and a synopsis of British Columbia's memorials for better terms.

"The second broad heading deals with the economic aspects of the union with Canada, and its economic implications in the terms of union. The effect of national policy on British Columbia since 1871; the provincial loss in the control of tariffs; the effect of trade policy treaties; the effects from railway communication and the opening of the Panama Canal, and, finally, the present economic position of British Columbia in the Canadian Confederation.

"This heading also involves a discussion of the factors underlying the economy of British Columbia; its geographical position; natural resources; natural markets; and comparison with other provinces; the physical disabilities of British Columbia within the Canadian Confederation; the possibility of indirect compensation and its complexities; the analysis of protected and unprotected activities in British Columbia; the effect of tariffs on producers and consumers; the terms of trade between British Columbia and Eastern Canada; the regional effects of rail and water freight rates; the growth of manufacturing industries in the East as compared with British Columbia; and finally, the concentration of capital employment and opportunities."

Timmins Estate Claim Judgment Is Pending

From Our Own Correspondent

MONTREAL.—Claim of the Quebec Government for $106,697 in extra succession duties from the estate of the late Michael J. Timmins, member of the mining family, has been taken under advisement by Mr. Justice Duranleau, of Superior Court. Argument of counsel at court hearing of the case has been concluded and judgment will be delivered at a later date.

Chief point at issue is the contention of the Government that valuation of the estate should be based on the market valuation at the time of death (June, 1933) of Noranda and Hollinger gold mine shares constituting the chief assets of the N. A. Timmins Corp. Shares in this concern, a $10 millions personal holding corporation, were chief assets of the M. J. Timmins estate. The Government valued the holding company shares at $218 each, while estate executors valued them at $107, insisting they used the system previously employed by the Government—basing valuation on an average of market value and capitalization of earning power.

Dividends Are Resumed By David & Frere Ltd.

From Our Own Correspondent

MONTREAL. — David et Frere Ltd., Montreal candy and biscuit manufacturers, has declared a dividend of 25 cents a share on the class A stock, payable Dec. 15 to shareholders of record Nov. 30. This will be the first dividend distribution made by the company since Dec. 15, 1931.

Declaration of the dividend reflects marked improvement in operations.

Bulolo Gold Dredging Output Lower in October

From Our Own Correspondent

MONTREAL.—Bulolo Gold Dredging reports October production at 11,037 oz. of fine gold. This compares with 12,838 oz. in September, 12,606 oz. in October of last year.

Production for the past month was 899,600 cu. yds. of gravel. In the previous month 893,600 cu. yds. was dredged, and in October, 1936, 962,200 cu. yds.

Estimated working profit for October totalled 8,032 fine oz., equivalent to $281,120 in Canadian funds taking gold at $35 an ounce. In September the working profit amounted to $300,755

Court Defers Decision Involving Langley Appeal

Opposition to the plan to liquidate preferred arrears of Langley's Ltd. continues. Dominion-Scottish Investments, Ltd., as a shareholder is attempting to obtain leave to enter an appeal against the decision of Mr. Justice McTague upholding the plan. First hearing on the appeal was given on Nov. 12 in the Appeal Court. Argument was heard for and against granting Dominion-Scottish Investments leave to enter the appeal but a ruling has not yet been received.

Dominion & Anglo Reduces Arrears

A dividend of $1.25 a share on account of arrears will be paid by Dominion & Anglo Investments on Dec. 1, 1937, to shareholders of record Nov. 15, along with the regular quarterly payment of the same amount. This makes the second payment of $1.25 a share made on account of arrears this year.

Railway Earnings

	1937	1936
C.N.R. LINES IN UNITED STATES		
C.N.R. Lines in New England		
Nine Mos. Ended Sept. 30:	$	$
Gross from railway	1,117,490	1,002,871
Net from railway	d45,922	d181,017
Net after rents	d446,437	d553,941
Month of Sept.:		
Gross from railway	121,229	125,422
Net from railway	d2,507	d9,578
Net after rents	d43,180	d51,923
Grand Trunk Western		
Nine Mos. Ended Sept. 30:	$	$
Gross from railway	18,564,860	17,451,493
Net from railway	4,389,959	3,958,448
Net after rents	2,128,791	1,956,516
Month of Sept.:		
Gross from railway	1,807,361	1,818,392
Net from railway	223,253	146,737
Net after rents	42,324	d158,662
C.P.R. LINES IN UNITED STATES		
C.P.R. Lines in Maine		
Nine Mos. Ended Sept. 30:	$	$
Gross from railway	1,838,303	1,634,266
Net from railway	329,914	106,464
Net after rents	71,146	d149,347
Month of Sept.:		
Gross from railway	133,750	125,538
Net from railway	13,583	d8,559
Net after rents	510	d29,686
C.P.R. Lines in Vermont		
Nine Mos. Ended Sept. 30:	$	$
Gross from railway	875,859	752,420
Net from railway	d101,286	d256,711
Net after rents	d337,373	d487,416
Month of Sept.:		
Gross from railway	85,175	88,668
Net from railway	d9,523	d11,963
Net after rents	d29,972	d37,581
Minneapolis, St. Paul & Sault Ste Marie Ry. (Excluding Wisconsin Central Ry.)		
Nine Mos. Ended Sept. 30:	$	$
Gross revenues	11,353,189	10,406,633
Less: Railway exps.	9,683,603	9,107,112
Taxes	554,693	844,375
Equipment rent	239,741	190,700
Terminal rent	179,480	144,047
Add: Other income	351,549	d305,295
Net deficit	3,992,631	4,357,167
Month of Sept.:		
Gross revenues	1,827,066	1,281,371
Less: Railway exps.	1,109,634	1,055,499
Taxes	112,192	102,478
Equipment rent	69,794	32,913
Terminal rent	16,721	16,924
Add: Other income	d38,192	26,194
Net earnings	3,596	d413,222

d—Deficit.

Georgetown, Ont.—Voters on Dec. 6 will vote on a $45,000 high school debenture by-law.

New Issue
Province of New Brunswick
4% Bonds, due November 15th, 1947
Payable Canada and New York.
Denominations: $1,000 and $500.
Price: 99.75 and accrued interest, to yield 4.03%

New Brunswick is the largest of Canada's Maritime Provinces and over 40% of their population is resident in the Province.

Proceeds of this issue will be used largely for roads, which it is anticipated will considerably stimulate tourist traffic.

Descriptive circular will be forwarded upon request.

Wood, Gundy & Company
Limited
36 King Street West, Toronto
TELEPHONE: ELGIN 4321

A
6¼% Yield
From a Convertible Preferred Stock Backed by:

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Write immediately for particulars of this interesting investment.

R. O. SWEEZEY & CO.
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132 St. James Street, West
MONTREAL

NEW ISSUE

$6,500,000
Province of New Brunswick
Sinking Fund Debentures

To be dated November 15, 1937 3% To mature November 15, 1940
To be dated November 15, 1937 4% To mature November 15, 1947

Principal and half-yearly interest (May 15 and November 15) will be payable in lawful money of Canada in the Cities of Halifax, Charlottetown, Saint John, Fredericton, Montreal, Toronto, Winnipeg or Vancouver, or at the option of the holder in lawful money of the United States of America in the City of New York. Debentures of the 1940 maturity will be non-callable prior to maturity. Debentures of the 1947 maturity will be redeemable, as a whole but not in part, at the option of the Government, on November 15, 1945, or on any interest payment date thereafter, upon at least 60 days' notice, at 100% of principal amount with accrued interest to the date fixed for redemption. Coupon debentures, registerable as to principal on payment of registration fee, will be available in the denomination of $1,000 only in the case of the 1940 maturity, and in the denominations of $500 and $1,000 in the case of the 1947 maturity.

Legal Opinion: Messrs. Long & Daly.

A copy of the prospectus descriptive of this issue will be furnished upon request.

PRICES:
1940 Maturity: 99.75 and accrued interest, to yield 3.09%
1947 Maturity: 99.75 and accrued interest, to yield 4.03%

Subscriptions will be received subject to rejection or allotment, in whole or in part, and the right is reserved to close subscription books at any time without notice.

We offer these debentures on behalf of the Province of New Brunswick if, as and when issued and received by us, subject to the approval of Counsel. It is expected that debentures in interim form, exchangeable for definitive debentures when available, will be ready for delivery on or about December 1, 1937.

Bank of Montreal
The Bank of Nova Scotia
The Dominion Securities Corporation, Limited
A. E. Ames & Co. Limited
Bell, Gouinlock & Co. Limited
McLeod, Young, Weir & Co. Limited
Cochran, Murray & Co. Limited
T. M. Bell & Co. Ltd.
The Royal Bank of Canada
The Dominion Bank
Wood, Gundy & Company Limited
Mills, Spence & Co. Limited
Eastern Securities Co. Limited
Irving, Brennan & Company Limited

The above statements have been accepted by us as accurate but are in no event to be construed as representations by us

INVESTMENT SECURITIES

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Branches in the principal cities of Canada
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HANSON BROS.
INCORPORATED
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MONTREAL
Ottawa Toronto

Listed Bonds

Week Ended Nov. 15

	Int. rate	Due	High	Low	Range 1937 High	Range 1937 Low
Mtl. L. H. P. Debs. ...	3	'39	50½	50½	50½	50½

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in One Night's Sleep

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HOTEL CLEVELAND
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CANADIAN
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Prospectus of Canadian Investment Fund, Ltd., obtainable from your own investment dealer.

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Bond Markets

Spurt In Offerings Follows Dominion Loan

New Brunswick and Ontario Present New Issues With Prospects of More to Follow—Prices Remain Firm

More activity has been shown in new bond issues in the past two or three weeks than was seen for several months last summer. As forecast in The Financial Post a while ago, completion of the Dominion refunding has released a large volume of financing from other sources.

Among the larger issues which have been offered may be mentioned the $2.7 millions of bonds sold by the city of Quebec. This issue was oversubscribed in a short time and allotments on the 12-year issue were only 50% of applications.

New Brunswick is currently making an offering of $6.5 millions of 3-year 3% and 10-year 4% bonds. It is understood that early reception to this loan was considered satisfactory by the syndicate making the offering but that some time will probably be needed to complete the sale. This offering was not underwritten but the bonds were taken on an option basis.

A feature of the New Brunswick offering is that the new bonds are payable, principal and interest, in either Canadian or United States funds. This was quite a common provision for both government and corporation bonds offered by Canadian borrowers in pre-depression days but has been rare in recent years. The expensive lesson learned from the heavy premium which borrowers had to pay for United States funds in the early 1930's had much to do with this. New Brunswick, however, sold a bond issue in the United States recently and it is probably expected that this feature will attract more American purchasers.

Latest entrant in the race for new capital is Ontario, which is offering a bond issue of $25 millions. Most of the funds obtained will be used for refunding obligations maturing in the near future.

It is rumored that the province of Quebec will be the next to make an offering.

Strong Reaction

Trend of prices for Dominion of Canada bonds has been pretty generally upward since the refunding loan was offered two weeks ago. Bid on the 14-year 3¼% bonds is holding around 99, the original offering price, which means that the rise has been sufficient to compensate for the dealers' commission. The Financial Post bond price average has moved up from 112.87 on Nov. 2 to 113.44, a gain of .57.

Trend of prices for Dominion treasury bills, however, has turned definitely downward. Each sale since the all-time low cost of .628% was reached Sept. 1, 1937, has been at a higher cost. The latest sale of $25 millions was made on Nov. 2 on a cost basis of .810. This marked the lowest price, or conversely the highest cost, for this type of financing since June, 1936.

* * *

Alberta Bonds

While Alberta's second act authorizing reduction of interest on its bonds has been declared ultra vires, the province will continue to pay interest only at the reduced rate.

True, the Government now lacks legislative authority for making the reduction, but it is probable that it will again resort to passage of an order-in-council authorizing such action.

Judgment on the second act was handed down in connection with a suit brought by the Independent Order of Foresters in connection with bonds of the Lethbridge Northern Irrigation District which are guaranteed by the province. At the same time an act requiring the consent of the Lieutenant-Governor-in-Council to bring court action to collect the full amount of interest was also declared ultra vires. As a result, a writ of execution was granted to the Independent Order of Foresters to collect $5,430 interest.

The Independent Order of Foresters may have a judgment for full interest, but the problem is to collect it. There is no way in which a judgment against a provincial government can be enforced and unless the Alberta Government is willing to accept the verdict of the courts, which is unlikely, it is impossible for bondholders to collect full interest.

* * *

Brazil Bonds

Many Canadian investors will be directly affected by the political coup in Brazil whereby President Getulio Vargas established himself as dictator since he immediately announced that interest payments on Brazilian bonds held abroad would be suspended.

Such action is somewhat a blow to hopes of bondholders as they had expected that they would obtain slightly higher interest payments when the Aranha scheme ended on Mar. 31 next. In recent years there had been substantial improvement in the economic position of Brazil and it was generally conceded that the Government was in a position to increase interest payments.

In a recent series of articles on "Foreign Bonds," The Financial Post pointed out that an adverse factor which Canadians investing in South American securities would have to keep in mind was the instability of governments. In connection with Brazil, it was stated the political situation was not clear and that, in gauging the outlook, rivalries between the contending political parties had to be reckoned with.

At the moment it is impossible to forecast what the future holds for Brazil bondholders. Actually, the establishment of a dictatorship is not as great a change as most people think, for President Vargas, for all practical purposes, has ruled as a dictator since 1930.

The unexpectedness of the coup can be attributed to the fact that there has been a censorship of news emanating from Brazil since 1935.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Riordon Pulp ...	▲6%	1942	Dec. 31	105
Porto Rico Tel. ..	†6%	1944	Dec. 1	105
Mississippi R. Pr.	‡5%	1951	Jan. 1	105
Int. Paper	•5%	1947	Nov. 15	102½

For sinking fund purposes: †$5,200. ‡$154,400. ▲$50,000. •$103,487.

Bond Tenders

5 p.m., Nov. 19, Longueuil, Que.—$41,700, 4 or 4½% 25-year serial bonds, dated Nov. 1, 1937. D. Viger, sec.-treas.

Bond vs. Stock Averages

Bond prices in the United States have not been behaving in the usually accepted form, according to Alexander D. Noyes. A fall of 16 points has taken place in domestic bond averages and recovery since Oct. 19 has been barely two points, where the stock markets, at Nov. 1, had recovered 17 points from the low. Bond prices, says Mr. Noyes, were too high at the beginning of 1937, but last month's average was the lowest since 1933 and below any figure reached in 1930. Bond prices usually decline either when stocks are rising violently, as in 1928 and 1929, or when money rates are high, as in 1920. Neither cause has operated in 1937.

* * *

Bond Index

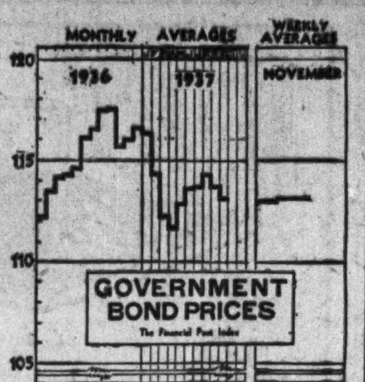
Movement of prices for high-grade government bonds has been upward over the past week, although the rise has been far from spectacular. The Financial Post index follows:

Average Price and Yield For Seven High-Grade Government Bonds

1937	Price $	Yield %	1936	Price $	Yield %
Nov. 16	113.51	3.269	Nov. 17	116.27	3.098
Nov. 15	113.44	3.277	Nov. 16	116.12	3.109
Nov. 13	113.46	3.276	Nov. 14	115.96	3.123
Nov. 12	113.41	3.280	Nov. 13	115.91	3.127
Nov. 10	113.36	3.291	Nov. 12	115.81	3.140
Nov. 9	113.30	3.296	Nov. 10	115.81	3.140
Year's	116.81	3.206	Year's	117.91	2.966
Range	111.60	3.505	Range	111.50	3.597

Treasury Bills

Dominion of Canada accepted bids for $25 millions of treasury bills on Nov. 12, 1937, at a price of 99.79475, an average cost of .816%. This is the highest cost for this type of financing since June, 15, 1936, and a substantial rise from the all-time low point of .628% reached on Sept. 1, 1937. Total of outstanding treasury bills remains at $150 millions.



Manitoba Debt Up $4 Millions

Relief Expenditures Show Increase to $3.9 Millions

Public accounts of Manitoba for the year ended April 30, 1937, show an increase in gross funded debt, including treasury bills, of over $4.3 millions to $125.7 millions.

On ordinary account the province had a surplus of $280,381, compared with $121,699 in the previous year. The improvement was entirely due to buoyant revenues which showed an increase of $655,142 while expenditures increased only $495,921.

Relief expenditures charged to capital account amounted to over $3.9 millions so that the real deficit for the year was about $3.7 millions. In the previous year relief expenditures totalled $3.3 millions.

Included in ordinary expenditures is provision of $333,321 for sinking funds and $160,289 for amortization of debt discount.

Comparative revenue and expenditure statements are shown below:

Debt Position
As at April 30

	1937	1936
Bonds outstanding.	94,962,481	95,480,881
Treasury bills	25,041,219	20,139,219
Exchequer bonds .	5,715,120	5,740,207
Gross funded debt▲	125,718,820	121,360,307
Sinking funds	10,121,984	9,350,880

▲Of which $49,009,147 in 1937 and $43,331,949 in 1936 was revenue bearing.

Revenue and Expenditure

Receipts:	1936-37 $	1935-36 $
Subsidy	1,703,023	1,786,923
Attorney-General ..	1,576,243	1,427,410
Agriculture	8,815	6,371
Education	136,447	119,963
Legislation	4,592	4,331
Labor	27,604	27,425
Provincial Secretary	54,972	49,836
Public works	89,975	89,703
Treasury	1,710,908	1,671,351
Municipal comm. ...	7,789,051	7,233,352
Telephone	940,206	992,225
Public welfare	226,759	266,036
Old age pensions ...	344,211	273,873
Mines & resources ..	602,370	611,774
Total revenue	15,215,175	14,560,573
Expenditures:		
Public debt	7,101,499	6,821,253
Legislation	173,926	165,395
Executive council ..	159,154	28,519
Treasury	125,818	120,558
Agriculture	205,468	206,562
Attorney-General ..	673,977	672,953
Public welfare	2,058,929	1,975,452
Mines & resources ..	507,625	480,497
Old age pensions ...	683,364	639,663
Public works	1,232,367	1,315,705
Municipal comm. ...	179,525	175,095
Labor	80,418	78,800
Provincial Secretary	22,405	23,225
Education	1,730,319	1,735,197
Total ordinary exps.	14,934,794	14,438,873

Investment Trusts

	Bid	Asked
Can. Amer. Trust	3.00	3.50
Can. Invest. Fund	3.55	3.90
All Can. Trustee	11.00	11.75
Trans Canada	11.20	12.90
Grouped Income	4.56	5.05
Can. Equity	12.00	....
Can. Int. Tr., modified	5.25	5.75
Do., unmodified	4.75	5.25

Trade and Industry Commission Settles Business Problems by Conference

An outline of some of the work being done quietly by this body, brought out in an interview with the chairman.

THE NEXT MOVE IN BUSINESS —AND HOW TO PLAN FOR IT
Business cycles repeat — lessons from experiences of the past 50 years.

WHEN IS M'F'R OBLIGED TO PROVIDE MERCHANDISE?
Another interesting court case involving a retailer and a manufacturer.

Some of the many timely features in the current issue of Canada's leading drug trade publication:—

DRUG MERCHANDISING
481 University Ave., Toronto, Canada

"Independent Grocers Continue to Get 67% of Total Business"

New Government report analyzed by Canadian Grocer shows chain ratio has remained fairly constant over last four or five years.

SURPRISE CUSTOMS DUTY RULING
Dumping Duty to Depend on Status of Buyer in Canada, Wholesaler or Retailer

NO QUICK BREAK IN COFFEE
Brazil discards her control scheme but Canada doesn't buy much of her coffee—result, a gradual decline in world prices is likely.

Some of the many important editorial features in the current issue of Canada's leading grocery trade publication.

CANADIAN GROCER
481 University Ave., Toronto, Canada

Threaten $2,000,000 Pedlar Trade in Men's Wear

Committee of Ontario men's wear dealers organized to bring anti-pedlar legislation up-to-date — Will also attack factory-to-consumer selling.

NEW STANDARDS BALK CLOTHING CHISELERS
Group of manufacturers and dealers organized by Toronto Better Business Bureau to oust chiselers — Code of business conduct concerning custom tailored clothing initial step.

These are two of the many outstanding features appearing in the current issue of:—

MEN'S WEAR MERCHANDISING
481 University Ave., Toronto, Ontario

Hotel Sanitation Laws Attacked

Manufacturers of chemicals flay regulations covering sterilization of glasses in Ontario beverage rooms — L. C. B. to reply.

B. C. HOTELMEN FEAR NEW LIQUOR LAWS
Seek to organize Pacific Coast hotelmen in an effort to balk extension of liquor legislation in the province.

Read these significant features appearing in the current issue of:—

CANADIAN HOTEL REVIEW AND RESTAURANT
481 University Ave., Toronto, Ontario

No Trade Restraint in Mfr's Refusal to Sell Price Cutter

Interview of Hardware and Metal with Hon. Geo. H. Sedgewick, Chairman, Dominion Trade and Industry Commission, clarifies a number of business matters.

FARMERS' CREDITORS' ARRANGEMENT ACT UNDER FIRE
Prominent Retailers Fail to See Need for Debt Adjustment Between an Honest Debtor and His Creditor.

PRICE OF MANUFACTURED GOODS RESISTING CURRENT DECLINE IN RAW MATERIALS
Higher Wage Levels and Taxation Slows Up Effect of Lower Raw Material Costs on Manufactured Products.

These are only a few of the many interesting business articles in the current issue of Canada's national hardware fortnightly:—

HARDWARE AND METAL
481 University Ave., Toronto, Canada

Painting Employers Charged With Evading Workmen's Compensation Assessments

Head of Accident Prevention Associations says extra burden is placed on shoulders of those who pay. Assessment rates for painting group only cover cost of accidents, painters told.

SCORES LACK OF ESTABLISHED SELLING PRICES ON INDUSTRIAL PAINTS
Paint manufacturers should place emphasis on new and improved products instead of on price, official declares at national convention.

Some features of the current issue of

CANADIAN PAINT AND VARNISH MAGAZINE
481 University Ave., Toronto, Canada

How to Profit from the Figures. 1

Reading the Balance Sheet

This is the first of a series of articles on the interpretation of financial statements. The next will appear in an early issue.

THAT truth can be stranger than fiction is the feeling of many investors when reading financial statements. Yet a balance sheet is intended to tell the truth of a company's position at a given date and should do so, as far as figures can.

The investor's aim, if he is to profit from perusal of company statements, must be to interpret to his own satisfaction the real significance in the figures. Of course, it requires study of balance sheets over several years and also of successive income accounts, to obtain a picture of the progress of a company, because a single year's statement can only be used to show the position at one specified time.

Understanding Balance Sheet

The first essential for proper interpretation of financial statements is an understanding of the balance sheet.

A balance sheet is intended to show what a company owns on the one hand and what it owes on the other. The company's possessions are the assets, and include such items as cash, securities, inventories of materials, buildings, machinery and so on. Its debts are the liabilities, which consist of such items as bank loans, bills payable, and bonds outstanding.

Also among the liabilities are reserves, which, however, may not constitute real debt items and which therefore require special examination. Lastly, the liabilities are brought into balance with assets by showing the amounts due to various classes of shareholders who put money into the enterprise originally and the sums accumulated from earnings which may remain in the company as an addition to the obligation to shareholders.

Figures Must Balance

The balance sheet always shows the assets and liabilities as equal, and to the logical mind this immediately suggests some sort of bookkeeping fiction. The answer to this perfect equality can be found in the simple arithmetic of the balance sheet. As an example:

Balance Sheet

Assets:	$
Cash	100,000
Inventory	200,000
Plants	500,000
Total	800,000
Liabilities:	
Bank loan	200,000
Capital stock	500,000
Earned surplus	100,000
Total	800,000

What the figures mean is simply that the company has assets of $800,000, as nearly as can be determined, and it owes $200,000 to the bank. The difference, namely $600,000, represents the equity of shareholders. Just like a sum in arithmetic, the balance sheet shows equal sums on both sides of the equation because it is really another way of saying:

	$
Total assets	800,000
Less: Debt	200,000
Stockholders' interest	600,000

The totals of assets and liabilities may be partly fictitious due either to inflated values or to understatement of values. In the foregoing example, for instance, the assets could be increased to $900,000 by insertion among the assets of an item of $100,000 for "goodwill." That would make the shareholders' equity appear to be $700,000.

On the other hand, the inventory of $200,000 shown in the balance sheet might actually be worth $400,000. If so, it would represent that the shareholders' equity has been understated to the extent of $200,000.

Balance sheets have the most value to the reader when they represent the facts as closely as possible. But in greater or lesser degree some fiction as to values appears in every balance sheet, for who can place precisely the correct value on every asset? Moreover, the value of the assets on the date of the balance sheet may have altered considerably in the period of time that must elapse before the investor receives the document.

There is a dual aspect to the balance sheet which is of much greater importance than the mere totals of assets and liabilities. It is the division, within the balance sheet, of the various entries into "current" and "capital" items. Going back to the example, it will be seen that there is a total of $300,000 of "current" assets made up of the cash and inventory items.

Against these current assets, there is a current liability of $200,000 in the form of a bank loan. The difference, $100,000, represents the working capital of the company, which is simply the portion of the shareholders' equity available for financing the day to day operations of the business. The current items therefore constitute a sort of balance sheet within the balance sheet.

Basic Analysis

Comparison of the capital items clearly shows that the shareholders have $500,000 of their money invested in plants as well as the net $100,000 of working capital. The important point is that it is not enough to know that the shareholders' equity is $600,000 but the balance sheet should be analyzed to reveal whether enough of the capital has been preserved for financing the ordinary business of the enterprise apart from the money tied up in plants.

Following these basic principles, it is possible for the investor to divide even the most complicated balance sheets into their major sections.

Municipal Finances

Edmonton, Alta.—Agreement with Calgary Power Co., Ltd., for stand-by power became effective Nov. 1, 1937, and expires Nov. 30, 1938. Monthly payment of $2,000 is required, but if any stand-by power is used, the rate steps up to $3,750 per month as from Nov. 1, 1937.

The city should end the year within the $3.7 millions budget approved last January, according to a report by John Hodgson, comptroller.

* * *

Laterriere (Chicoutimi), Que.—Payment of interest has been authorized by the Quebec Municipal Commission as follows: coupons of Nov 1, 1937; and interest from May 1 to Nov. 1, 1937, on bonds matured Nov. 1, 1934, 1935 and 1936.

* * *

Bourget Twp. (Chicoutimi), Que.—Quebec Municipal Commission has authorized payments as follows: under by-law No. 17, coupons of March 1, 1937, and interest from Sept. 1, 1936, to June 1, 1937, on past due bonds; under by-law No. 15, interest from Dec. 1, 1936, to June 1, 1937, on past due bonds.

* * *

Chandler (Gaspé South), Que.—Quebec Municipal Commission has authorized payment of interest on coupons due May 1, 1937, under by-law No. 8, and on those due July 1, 1937, under by-law No. 31.

* * *

St. Thomas, Ont.—Tax collections this year to Oct. 30, both current and arrears, were 100.9% of the current roll. Current collections were 82.28% of the 1937 roll. This is the best showing in some years, the city treasurer states.

* * *

Calgary, Alta.—Wage cuts of civic employees will be partially restored, according to decision of a board of arbitration. Half the 10% reduction had previously been restored, and further restoration of 2% to 5% is provided, the latter going to employees in the lowest bracket. Firemen and city hall employees will not be compensated for the shorter week now in effect.

* * *

Windsor, Ont.—Deficit of $92,439 at the end of the year, after meeting debenture sinking fund payments, is estimated by the city treasurer.

* * *

Mimico, Ont.—A committee has been appointed to study assessment systems in other towns, with a view to improving methods now used by Mimico.

* * *

Lindsay, Ont.—A vote will be taken in January on the building of a $30,000 sewage disposal plant.

* * *

St.-Benoit-Joseph-Labre (Amqui), Que.—This corporation is no longer considered in default, within the meaning of division five of the Quebec Municipal Commission Act, as of Nov. 8, 1937.

BIRMINGHAM
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This advertisement appears as a matter of record only as the issue has been fully subscribed.

New Issue

$25,000,000

Province of Ontario

2%, 2½% and 3¼% Debentures

To be dated November 15th, 1937

$ 8,000,000 2% Debentures to mature January 15th, 1941
5,000,000 2½% Debentures to mature May 15th, 1945
12,000,000 3¼% Debentures to mature November 15th, 1951

Principal and half-yearly interest (January 15th and July 15th for the 2% Debentures; May 15th and November 15th for the 2½% and 3¼% Debentures) payable in lawful money of Canada in Toronto or Montreal at the holder's option. Any Debenture not presented for payment within one year from its maturity, or if redeemed, from the date fixed for its redemption, will be payable only at the office of the Provincial Treasurer, Toronto. The 2% and 2½% Debentures will be non-callable. The 3¼% Debentures will be callable at 100 and accrued interest on thirty days' notice on any interest date on or after November 15th, 1949.

Denominations: 2% and 2½% Debentures—$1,000; 3¼% Debentures $1,000 and $500.

Debentures may be registered as to principal.

Legal Opinion: Messrs. Long and Daly.

These Debentures are direct obligations of the Province of Ontario, and are payable, principal and interest, out of the Consolidated Revenue Fund of the Province. The proceeds of this issue will be used to retire maturing obligations, and for general purposes.

Information regarding the financial position of the Province will be found in the official circular which is available upon request.

We offer these Debentures, if, as and when issued and accepted by us and subject to the approval of Counsel.

It is expected that Debentures in interim form will be ready for delivery on or about November 25th, 1937.

Prices:

1941 Maturity: 99.25 and interest yielding about 2.25%
1945 Maturity: 97.50 and interest yielding about 2.87%
1951 Maturity: 98.50 and interest yielding about 3.38%

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McLeod, Young, Weir & Co., Limited
A. E. Ames & Co., Limited
Bell, Gouinlock & Co., Limited
The Dominion Securities Corporation Limited
Mills, Spence & Co., Limited
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Hanson Bros. Incorporated
Midland Securities Corp., Limited
Cochran, Murray & Co., Limited
Harrison & Company, Limited
Fry & Company
Matthews & Company

The information contained in this advertisement is based upon statements and statistics on which we have relied. We do not guarantee but believe the statements herein to be true.

The Financial Post

Member Audit Bureau of Circulations

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

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Directory of Canadian Directors and Officials, Yearly, $10.
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TORONTO, NOVEMBER 20, 1937

The Financial Post's Platform for Canada

1. *Balanced budgets.*
2. *Abolish politics in C. N. R.*
3. *Merit system in public service.*
4. *Freer foreign trade through Empire preferences and foreign treaties.*
5. *Stable tariffs for balanced development.*
6. *Stricter laws to protect investors.*
7. *An even break for Canadian national newspapers and periodicals.*
8. *A modernized constitution.*
9. *Integrity in meeting public obligations.*
10. *Wider markets for our farms.*

Showmanship

MODERN business must advertise to live and prosper. Even back in 1935 Canadians spent $50 millions to advertise through the printed word. The figure for the United States when all forms of advertising are included probably tops the billion dollar mark.

The need applies to governments as well as to corporations and institutions. A potent weapon for national advertisement—especially in these days of swift, easy travel—is the exposition. The Chicago Fair, The Paris Exposition, Wembley, are names which gleam in millions of memories because of the new, sparkling lessons they taught.

Canada, a great nation with a brilliant story, has been notably weak in its exposition advertising. Our national exhibits lack the punch and glamor of modern showmanship. They harp too much on the past—on the crude, primitive days. They overplay the Indian, the trapper and the things of yesteryear. These things have their place but they are not the Canada of today, they tell nothing of the promise of tomorrow.

At the Paris Exposition, Russia has stolen the show. Brilliant showmanship has taken a story not half so arresting as that of Canada and displayed it in a spectacle which will be the talk of world travellers for many a year to come. Unfortunately it is a story of half-truths and deliberate propaganda.

Canada spent a lot of money but her exhibit "missed the boat"—seemed dull and old-fashioned among her more clever contemporaries.

Two great opportunities lie ahead. One is the big Empire Exhibition in Glasgow during the summer of 1938. The other is the World Fair at New York, 1939. In both these Canada has booked space.

But that is not enough. Steps should be taken immediately to ensure that Canada's exhibits portray not only our resources but our accomplishments and industrial development. Exhibits should be designed to represent present-day life in Canada. They should assist exporters in the sale of goods and should induce tourists to visit this country. For this purpose the viewpoint of both the tourists and the exporter should be obtained and used. Incidentally the Paris Exposition is now to be extended through to 1938. There is still an opportunity to make substantial improvements in our exhibit there, as well.

Money need not be spent lavishly to turn the trick. It is ideas and imagination based on on practical knowledge of our needs and resources which count.

This is a challenge of showmanship which should appeal to every citizen of the fifth largest trading nation of the world.

Coffee and Wheat

COLLAPSE last week of Brazil's price-controlled programme for coffee holds a lesson for every Canadian wheat farmer, and every politician with a penchant for planned agriculture. The Brazil debacle is simply the bankruptcy of one more scheme of governmental agricultural planning.

Brazil's efforts to control the price and supply of coffee go back to 1870. In that year the government bought a large quantity to use in paying foreign balances. The experiment ended in heavy loss. Relief for growers was attempted again in 1906 by the government purchasing the crop at a price above the market. In 1918 a third valorization scheme was tried. In 1921 paper money was printed and foreign loans floated to buy more and more coffee. This plan ended ignominiously in 1931 when the country was forced to suspend payment on its foreign debt. Since then a plan of "balanced abundance" has been attempted by prohibiting the planting of new coffee trees and the burning of coffee beans on a scale never perhaps attempted in modern times.

The plan has failed for the same reason as the British rubber restriction scheme. When the British began their programme they controlled nearly 70% of the world's supply of raw rubber. Prices rose sharply and Dutch East Indies took advantage of the rise to increase their own output. The British lost their domination of the world rubber market and prices collapsed to a point far below that when the control started.

So it was with coffee. So it was with the cotton control plan of the United States. So it was with Canada when she attempted to artificially support the price of wheat.

Fortunately Canada retraced her steps quickly and it is to be hoped the findings of the Turgeon Royal Commission will be such as to provide a clear warning against similar attempts in the future.

Apparently the United States has not yet fully learned her lesson in regard to government agricultural planning and is again starting a nation-wide experiment under the leadership of her idealist Secretary of Agriculture, Henry A. Wallace. The experiment may benefit Canada indirectly by opening up new markets for us in that country. Also the scheme may have a period of superficial success resulting in a new agitation for crop control measures in this country. This makes it all the more important for Canadians to heed the lesson that has again ended so tragically for Brazil.

Victory For Canadianism

THE recent meeting of the federal provincial conference on old age pensions is another boost for the cause of national unity. No official statement of its achievements will be published until approved by individual governments but Hon. Charles A. Dunning, who convened the meeting, has described it as the most constructive assembly of its kind he has attended in the past 20 years.

Ultimate test of success lies, of course, in the effect of its deliberations on pension costs. These have been soaring at an alarming rate because of loose provincial administration and control. In fact it has been stated that if the Dominion could control the actual administration of the law rather than individual provinces, she could afford to pay 100% of the cost and still save money. Her present share is 75%.

But the fact that nine provinces were able to meet under federal auspices and achieve unanimous agreement on all the problems before it, augurs well not only for more economical and efficient administration in the future but also for our ability as Canadians to tackle and solve other complex problems of government involving 10 sovereign legislatures.

Communities Speak Out

IT WAS a notable event when the Ontario Associated Boards of Trade and Chambers of Commerce went on record last week unanimously condemning present government policy in respect of railway policy and urging:

> "The vital need for further consideration of the proposals made to the Duff Commission, and of further examination of all potentialities for effecting economies in the operation of the National system which would reduce the present severe drain on the taxpayers resulting from the said annual deficits of the Canadian National Railways."

The resolution passed by the Association pointed to the ineffectiveness of the Duff proposals as applied in the past five years in bringing about a solution of our problem. During the five years its recommendations have been in effect actual savings achieved through its "co-ordination and co-operation" policy have averaged but $1.2 million annually, instead of $30 millions annually as originally estimated. Perhaps this is because the Duff plan has never been properly tried. In any event, the need for immediate action to solve the problem is clear.

Membership in the Ontario Association includes many communities which in the past have been very cautious in expressing such outspoken views on our railway problems. It includes communities which are traditionally partisan to public ownership policies. If this expression is representative of the present views of Canadian communities it is a bright, hopeful gleam of light in an otherwise dark and foreboding picture.

Toronto's Housing Plan

ON DECEMBER 6 Toronto's property owners will be asked whether they favor outlay of civic funds for slum-clearance and housing. Even those most anxious to see a definite move made to initiate low cost housing schemes anticipate an adverse vote. This is not because Toronto is unsympathetic to the cause of low-cost housing but because the proposal put before electors is vague, indefinite and unconvincing.

Under the leadership of Hon. Dr. Bruce, much progress has been made in Toronto toward an appreciation of slum-clearance needs. Already the city has taken an initial step to implement the Lieutenant-Governor's famous report of 1935 by amending certain health and building laws and seeing they are enforced. As outlined in a recent issue of The Financial Post this work is now proceeding to the extent of about $400,000 annually. Much remains to be done along this line.

At first glance the question asked looks legitimate enough. Voters are to be asked whether they favor outlay by the city of $2 millions toward a housing project if the Federal Government and provincial authorities will each advance like amounts. The figure is based on one of several alternatives outlined by the city council's advisory housing committee last July, calling for an estimated outlay of $6.7 millions and involving an annual deficit of $316,000. The proposal calls for elimination of 900 rear and alley dwellings, rehousing of inmates of such houses and replacement of some of the 4,000 dwellings classed as obsolete.

The proposal has been suddenly thrust on property owners who are the only ones to vote upon it. It gives no definite lead toward a solution of the city's housing problems in part because the city's housing committee has said there is no use submitting a specific plan until federal and provincial approval is first obtained.

Platform For Saskatchewan

THE new platform of the Saskatchewan Conservative party is a very unrealistic document.

While pledging a reduction in taxes, Saskatchewan Conservatives have announced they are in favor of agricultural aids along technical lines; crop insurance; a government guaranteed minimum wage; payment of all arrears of salaries to teachers in one year; reduction of the age for old age pensions from 70 to 65; increase of mothers' allowances; increase of maternity grants; health insurance, and state medicine and hospitalization; and efforts to end unemployment by a works programme including a housing scheme.

In this ambitious programme, some planks have considerable merit. To put such a programme into effect, however, would cost the province millions of dollars annually. Since Saskatchewan is unable to finance its present responsibilities on present revenues and has been able to meet its obligations in recent years only through assistance granted by the Dominion Government one might well ask how the Saskatchewan Conservatives propose to finance the suggested programme.

In view of the financial difficulties of provincial governments the planks are no more than hollow pledges. Saskatchewan cannot finance the programme suggested. Political leaders would be well advised to concentrate on solving the financial problems of the province before outlining new social legislation. Any party's first plank should be restoration of Saskatchewan's credit and re-establishment of its finances on a sound basis.

Editorials in Brief

Newfoundland's new census report seems, at this distance, to achieve a new high in wastefulness. To analyze a population of 200,000 by districts requires a 1,000-page volume weighing almost four pounds. It is a book almost as big as the Canada Year Book—the difference is that most pages in the Newfoundland tome abound in single figures surrounded by large areas of white space. And this is only Volume One.

• • •

Washington is looking spick and span these days. Most of the huge government building programme has been completed. In the "Triangle," architectural beauty is spread before one's eyes with such lavishness that one is reminded of Ancient Greece and Rome put together, with a Phoenician and a Mayan civilization thrown in for good measure.

But there is still one big construction job under way. It is the butt of jokes by those who are convinced that inflation is bound to come in the United States. "When it comes it will come fast and furiously," they say. Then they add: "But there will be no problem about printing money. The biggest building job in Washington today is the new wing of the Bureau of Engraving and Printing."

• • •

Optimism may be the basis of budget addresses in Canada and its provinces. But no such note is allowed to creep into budget speeches in Cochin State, which is out in Southern India.

The finance member, P. V. Subramania Iyet, delivered his budget address the other day for the year 1113 M. E., which means 1937-38, according to our reckoning. Here is the way an Indian paper presents his remarks:

"The sources of the State's revenues are inelastic-rather restricted.

"Land revenue, which has been our staple revenue for long years after the last settlement, shows signs of stagnation.

"Customs, which has been the bulwark of our resources, shows signs of sagging.

"Forests, exploitation on a commercial basis being not possible to be thought of for some years to come.

"Income tax, shows signs of decrease.

"Excise revenue, any augmentation of excise revenue, which is said to be hot money, cannot be expected.

"Other heads of revenue are quite static."

Sayings of the Week

"My father worried about saturation of the automobile market when I was making one hundred cars a day."—*Henry Ford.*

• • •

"Law enforcement in any community can be only as effective as the citizens in that community demand."—*J. Edgar Hoover.*

• • •

"The wise man will open his doors wide to the intelligent and to the good, whatever their race and nation."—*Pearl S. Buck.*

• • •

"There can be no social peace without confidence and straight dealing between capital and labor."—*Wickham Steed.*

• • •

"The railway situation is far the greatest menace to our present and future prosperity."—*George C. McDonald, president, Canadian Chamber of Commerce.*

• • •

"If private enterprise does not carry through the Four-Year Plan the State will assume full control of business."—*Adolf Hitler.*

• • •

"The great artists and scholars have always been what might be called the Prodigal Sons of the class structure."—*Thomas Mann.*

• • •

"If you find that others do not rate your abilities as highly as you do yourself, do not be too sure that it is they who are mistaken."—*Bertrand Russell.*

• • •

"Behind a great deal of our modern immoralism is not so much downright badness as sincere confusion as to what is right."—*Harry Emerson Fosdick.*

• • •

"A large range of the new invention and those which may be expected in the near future appear to or actually do call for more and more concentration of power in a central government."—*James Truslow Adams.*

• • •

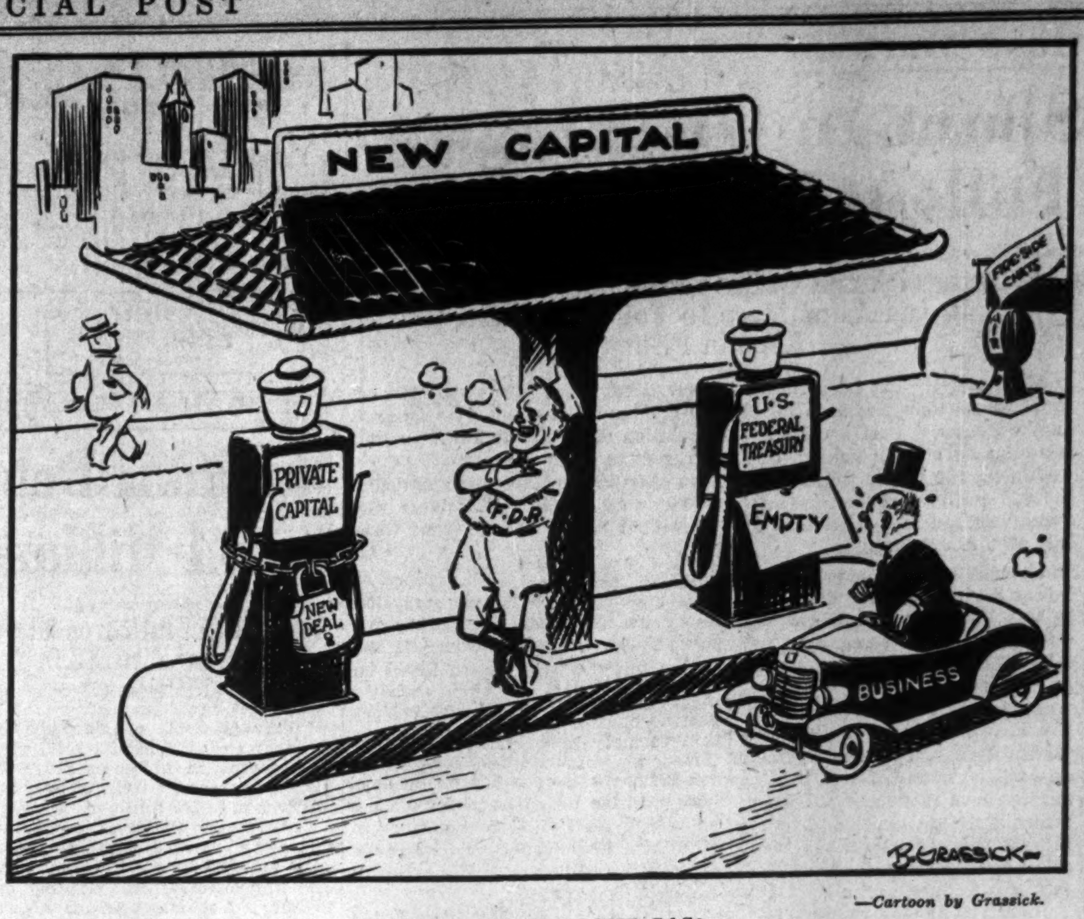
"Keep the politically-minded out until we can see the way out, then let us pray for statesmen with sufficient wisdom and courage to make the necessary changes in the rules."—*George C. McDonald, addressing Ontario Associated Boards of Trade on Rowell Commission.*

• • •

"We as a nation seek a spiritual union with all who love freedom. Of many bloods and all diverse national origins, we stand before the world today as one people united in a common determination."—*Pres. Franklin D. Roosevelt*

• • •

"The job for Congress will be to decide whether the president's own (foreign) policy is to be followed or whether we are to adhere to the policies which the last Congress adopted."—*Alfred M. Landon, Republican Presidential Nominee in 1936.*



—Cartoon by Grassick.

WHY CAN'T I GET SOME GAS?

Post-Scripts . . . .

By F. S. C.

The regular editor of this column has suggested that I might take it over this week to talk about some of the people I ran into in Washington last week.

PRES. ROOSEVELT

"What," he asked, "was the most interesting thing you saw?"

I had to be honest with him; so I answered, "The top of President Roosevelt's desk."

Not that the top of his desk has changed much since I last saw the President in April of this year. There is the same pile of official documents awaiting his signature (at least it looked like the same pile). There are the same scattered groups of letters and memoranda (each one covered carefully with a sheet of blank paper so that the casual visitor will not be tempted to peek). There is the same package of cigarettes (but of a different brand, because the president discovered that the makers of his favorite brand were whispering his preferences around the country, so now he switches every few weeks). There is the same collection of Democratic donkeys of every style and shape (china donkeys, wooden donkeys, cardboard donkeys, rubber donkeys, celluloid donkeys, to the number of 15 or 20 all told).

• • •

Like the Rest of Us

What then attracted one's attention to the top of the presidential desk? First, there was a memorandum pad in a chromium holder. On the holder was written "Compliments of the Reading Supply Co., Reading's only home-owned plumbing store."

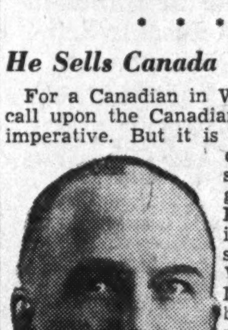
So Mr. Roosevelt, after all, is just like the rest of us. He likes to get a fancy memo pad for his desk and he does not care where it comes from nor whose product it advertises so long as it is useful. It is a homely touch that "Reading's only home-owned plumbing store" should supply the memo pad for the desk of the mightiest of rulers (for who will deny that Roosevelt is that today in personal power over regimented wealth?).

And on top of his desk were two little paper pads of matches in screaming red with gold and black lettering. The lettering read "Try Seagram's First." It made a Canadian visitor feel at home.

• • •

He Sells Canada

For a Canadian in Washington, a call upon the Canadian Minister is imperative. But it is more than a duty. It is a source of great delight. For Canada is well represented in Washington. In Sir Herbert Marler we have a minister who is at once a good businessman and an amiable diplomat. He has made it his business to know everyone of importance in Washington. When a Canadian problem comes up he knows where to go to get it settled.



SIR HERBERT MARLER

Sir Herbert plays a lot of golf and his partners usually arrive at the 18th hole feeling that Canada is a great country and Canadians a splendid people. During his regime several matters of prime importance, touching the commercial relations of these two countries, have been settled. The agreement respecting the taxes on non-resident investors saved this country millions of dollars. The reciprocity agreement was a major stroke for Canada. Either one alone might have been enough to occupy a minister during the entire term of his office. Sir Herbert has seen both of them completed.

• • •

Open Sesame

Canada stands high in Washington. It is easier for a Canadian to get access to top-flight men in the administration than for citizens of any other country. In part this is due to the close economic relations of these two countries; in part to the constructive services rendered by our legation under Mr. Massey, Mr. Herridge and Sir Herbert Marler.

There is less formality in various Washington departments in dealing with Canadians than with other nationalities. For instance, when I called upon a division chief of the State department, whom I have met on several occasions, he immediately addressed me by my first name. It never occurred to him that I was a foreigner seeking to spy out his land.

• • •

Hull's "Temporary" Job

The State department is looming large in Washington these days because of the magnificent statesmanship of Hon. Cordell Hull, particularly in his efforts to promote peace through restoring world trade. I learned on this trip that it was only by accident that Mr. Hull ever became Secretary of State. The President had him slated as Secretary of Commerce. A great student of international affairs had been selected for the State department. This man refused to act. He distrusted Roosevelt. The President turned to another man, who accepted. Then someone started to whisper about an early scandal in the life of the Secretary-to-be. The President could take no chances and had to give him another job, almost as influential but not quite as official. He put Hull in to fill the gap temporarily. But Hull has remained, and the small town Tennessee lawyer has become a world figure.

HON. CORDELL HULL

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An Indiscretion?

Mr. Hull, I was told in Washington, was much embarrassed by the President's Chicago speech that condemned Japan for its attack upon China, though, of course, without mentioning Japan. Mr. Hull would agree with the president on his general view regarding dictators and international law-breakers. But the President was, to say the least, indiscreet in challenging Japan before the bar of international opinion just when Japan had been invited to the Nine-Power Conference at Brussels called to deal with the Japanese invasion of China.

It was like condemning a prisoner the day before his trial.

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Advice For "Uncle Henry"

If Mr. Hull was never intended to remain for long in the State department, Henry Morgenthau was never intended to remain permanently at the Treasury. When William H. Woodin died suddenly, the President put his old friend and neighbor, Morgenthau, in to act until a permanent Secretary could be found. But Morgenthau, too, has stayed on.

Washington does not expect "Uncle Henry"—that's what he's called but why, I don't know—to remain much longer. His friends and relatives are advising him to quit. They tell him that there is plenty of budgetary and monetary trouble ahead for the United States; that if he stays history will make him the goat for it. "Get out while you still have a reputation," they say.

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Canadian Liquidator

An eminent economist took me to the Cosmos Club for dinner. We began to discuss the New Deal and all its works and our voices rose higher and higher. Finally, alarmed, I said, "We'd better not talk so loudly. It is not very discreet."

"That's all right," he said. "All the New Deal chieftains come to this club for their meals. And everybody talks as loudly as he can about them, hoping he will be heard."

At the club I had a chat with John F. Sinclair, an old and valued friend. A former Canadian, born in Cobourg, he is just completing the job of liquidating the $550 millions of assets of the Federal Farm Land Banks. He is down to the last $100 millions of rather slow-moving collateral. John graduated in law, served as a banker in the Middle West went into financial journalism and now looks after his own large investments. He accepted the liquidation job on the personal insistence of the President, who wanted someone he could trust implicitly.

Lewis Buys Building

Someone pointed out to me a big building job. It is the renovation of what used to be the old University Club. John L. Lewis walked in to the owners and offered them $265,000 for the building. He is spending $150,000 adding another floor. It will be the headquarters of the United Mine Workers and the C.I.O. Mr. Lewis will remain cool on the air-conditioned top floor.

JOHN L. LEWIS

No less than three people in Washington called my attention to the fact that Mr. Lewis is able to plank down money by the hundreds of thousands of dollars to buy anything he likes—whether it is a strike, an election or a new building—and yet there is no governmental agency that requires him to register his unions, or report how much money he takes in and how he spends it.

But then Washington is that way. Like Ottawa, it likes gossip. The stories that go around about Mrs. Roosevelt and son Jimmie could not be printed here.

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"It Can Happen Here"

To consult with Federal Reserve Board officials and get their view of the likely trend of business over the next year I had to go to their new and magnificent palace on Constitution Avenue. Resplendent in white marble, it shines like a Rajah's tomb. It was here that the President, in dedicating the building on October 20, gave a foretaste of the sort of powers he seeks for managing the country's economy. In one part of a very short address he said:

"Our monetary and credit machinery must be steadily perfected and co-ordinated with all other instruments of Government to promote the most productive use of our human and material resources."

A few paragraphs later on he used almost the same words; again assigning no role to individual initiative or private business but merely emphasizing the role of government in managing a country's economy.

"To be effective in performing their function, monetary powers must be closely co-ordinated with the other major powers and policies of government which influence the country's economic life."

Those who listened to him thought they heard the President declaring his intention of assuming virtually dictatorial powers if the recovery is not resumed soon.

Other People's Views . . . .

Welcome News

Canadian Grocer

Canada is now taking the first step in many years toward the reduction of federal debt. This is indeed good news to those who have been wondering where the debt accumulating process of depression years was going to end.

The Minister of Finance is arranging a refunding loan providing for the redemption from revenue of $22 millions of the tax free Victory Loan 5½% bonds, due Dec. 1, 1937. The Government is refunding $100 millions of the $122 millions now outstanding.

This is good news and a very encouraging sign.

$2,500 Minimum Wage

Business Week

"The automobile industry," says Pres. Homer Martin, of the United Automobile Workers, "is sufficiently rich, sufficiently productive, and sufficiently profitable to pay to every worker in every factory in this nation a living annual wage of not less than $2,500."

Right now about the best minimum wage paid in the industry is $6.50 a day; and, of course, there are unavoidable layoff periods. Mr. Martin's proposal means a minimum wage of about $8 a day for 300 days in the year. Roughly, this might increase wages by 35%.

Mr. Martin thinks the industry should swell its labor costs by that much; and not merely for one year, but indefinitely. Saddled with such fixed costs, the industry would have to raise prices so high as to ruin its markets and throw its employees out on the street.

In the Mail . .

Bouquet For Mr. Black

Editor, The Financial Post:

I have read the article "Planned Purchasing for Industry" in your Nov. 7 issue, written by W. D. Black, of the Otis-Fensom Elevator Co.

I hope that I am one of many people writing to tell you that they were greatly interested in this article. To my mind such articles are evidence of a sense of social responsibility, and justify the holding of highly paid executive positions and the exercise of that measure of control over the lives of others which such positions entail.

If this sense of social responsibility is widely held by business executives in Canada, there is no need to worry about Communism or Fascism, as every social problem will be solved at least as quickly as they are solved in other countries which adopt one or the other of these desperate remedies.

On the other hand, if no such sense of social responsibility exists, the people are going to require leaders who have it, and in their search to find such leaders, things will be tossed about so much that quite a mess will result.

E. B. FAIRBANKS,
Montreal, P.Q.

As Others See Us

Col. Maclean's Milestone

Bowmanville Statesman

Recently Col. J. B. Maclean, founder and head of the MacLean Publishing Company, Toronto, reached the 75th milestone of a life that has been outstanding in the service of his country. Col. Maclean, although seldom in the limelight, has played a most important part in the maintenance of a sane and sensible attitude in public affairs in this great Dominion.

Through his various trade publications, and others of wider interest, such as Maclean's Magazine and The Financial Post, Col. Maclean has continued through the years to give the reading public only the most authentic and reliable information and comments on the great events of our day. And perhaps his greatest service to Canada has been the lead he has given in the whole field of journalism in producing a distinctly Canadian type of periodical which stand almost by themselves in the high esteem of the public. Today Maclean publications are as a beacon lighting the way to a higher valuation for the great calling that is journalism.

Wage Earners and Taxpayers

St. Catherines Standard

Important suggestions were made recently by The Financial Post to rehabilitate the 180,000 unemployed of the country. This number does not include those in the drought-stricken areas of the West. About 80% of the number are employable, and not on the shelf for all time. They are, in effect, wage earners and not dependents. Their employability must be increased, if the problem is to be solved. And that seems to be the sine qua non of the whole situation.

If the plan could be improved in a community like St. Catharines, with a fair degree of success, if not 100 % success, it would be a tremendous relief in civic finance and in the mill rate on the taxpayer.

Studying Industrial Relations

Winnipeg Tribune

A sign of the times appears with the projected establishment of a department of industrial relations at Queen's University. According to The Financial Post, this is the outgrowth of a series of successful conferences held at Kingston during the past two years at which university people and representatives of labor and management. Courses will be designed to equip men entering the business and industrial field with knowledge and understanding of current employer-labor problems.

Certainly there is room for much education along the lines in which Queen's University proposes to give a lead. The functioning of our economic democracy will depend to a large extent upon the solution of employer-labor problems. The very survival of our system may well depend upon a sympathetic approach to them upon the part both capital and labor. And there can be no understanding without knowledge.

Jobs Needed, Not Training

Toronto Telegram

If a course of physical and technical training were all that is necessary to put Canada's 180,000 unemployed men back at work the problem would be very easily solved. But until jobs are available the unemployed, whether they have undergone a "refresher" course or not, must remain dependent on relief aid.

It is therefore impossible to become enthusiastic about the Financial Post's call for immediate action under government auspices on a programme of improving the skill and physique of those men now without work. It is more likely that they would of themselves be able to quickly accommodate themselves to employment in their old or in new jobs than that those jobs would become available simply because the men had been "rebuilt."

Existence on relief over a period of years may have softened some workmen physically and injured the morale of others but these conditions are soon overcome once work is resumed and pay envelopes reappear.

The weakness of The Post's plan is that it would involve the expenditure of many millions of extra dollars, to be met out of taxation on business, industry and wages, without lessening relief costs and without adding to employing opportunities. The difficulty is not to find men who are able to fill jobs but to find jobs for them.

Stop Me If You've Heard This One . .

Two green traders were sitting around a stockbroker's board room. "Terrible these labor troubles," said the first.

"That's right," replied the other, nodding sagely.

"Affects stocks, too," the first fellow said. The other just nod and the wise look. "What do you think of CIO?" he asked his friend.

The other fellow put a hand on his knee, looked him in the eye and put on a significant expression. "I think it'll close lower," he answered.

eek in Business

etailers Wondering If Prices Will Hold

evision in Keeping With Lower Commodities Values May Prove Disturbing — Fair Christmas Trade Prospects Here But Gloomy in U. S.

With the biggest general buying season of the year now at hand, major worry of merchandisers is price maintenance. Cut rate sales of currently wanted goods if extended to any proportion would be disastrous to profits, might not stimulate any great wave of buying and could easily precipitate a recession of dimensions not at all warranted by the present situation.

Yet, based on the unchecked decline of commodity prices since last summer, quotations on many lines of finished goods would now appear too high. Retail prices were stepped up rapidly last spring and were fully justified then by repeated advances in raw materials and labor costs. So far, however, there has been little revision in the other direction despite a slump of fully 40% in raw materials. How to get values of finished goods in line and without starting any disastrous wave of cut-pricing is an immediate problem for manufacturing of such currently wanted goods as clothing, footwear, house furnishings and hardware.

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Already reports all the way from Halifax to Vancouver indicate price uneasiness. This week's summary of the Canadian Credit Men's Association mentions uncertainty in the textile field, particularly knit goods the same is true of electrical goods and hardware. Retail buying is reported at fairly satisfactory levels but below recent weeks and beginning to taper off from corresponding periods of a year ago. Total for the year is still expected to be above the whole of 1936 but there is not a great deal of expectation that Christmas buying this season will equal that of 1936. In United States most serious declines from a year ago are feared.

Just how great any recession in Canadian buying might be depends largely on present inventories both of the visible and invisible type. The extent of the regular stocks in the hands of merchants and manufacturers is fairly well known and is reported generally not excessive. As a matter of fact most merchants have followed a hand-to-mouth buying policy since midsummer. In manufacturers' hands it is believed that stocks are more liberal but not burdensome. It is the invisible type of inventory, the relative amount of goods in ultimate consumers' hands that is really important.

In the last year and a half Canadian consumers have been buying fairly freely but not a great deal in excess of current requirements.

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But continuous confidence is needed to keep the market open. If the average person thinks that his job is going to continue then he will continue to buy. At present that confidence has been rather severely jolted by first a shakeup in security markets and secondly the unmistakable business recession in United States. While Canada cannot hope to escape the full effects of any American slump, this country, as pointed out in the current letter of the Canadian Bank of Commerce, is now much more independent than it was a few years ago.

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While American business observers may quarrel as to the causes of the present decline, practically all of them agree that it will be short lived. The following quotation from the Weekly Observer is typical:

"During the next few months, business generally will decline further. The prospect for the steel industry particularly is not bright. Business, however, will revive sharply when it becomes convinced that the government has changed its attitude. The spring of 1938 will initiate a revival of trade and industry as well as business confidence."

Business Indicators

Business index of D. B. S. down 7 points this week and 7.7 from year ago indicates lull in buying and price declines continuing.

Carloading down slightly from corresponding week a year ago but gross earning of both railroads up.

Canadian exports show first decline this year in October though big lead for year to date will probably keep 1937 total substantially ahead of last year.

Newsprint production up in October and cumulative for year far ahead of 1936.

Current trend in Canadian business is shown by The Financial Post's index of business activity, with new figures for the week marked thus▲.

	Latest 1937	Latest 1936	Jan. 1 to date 1937	Jan. 1 to date 1936
sportation—				
r loadings, week (Nov. 6)	▲56,987	57,983	2,245,581	2,082,639
N.R. gr. earn., wk. (Nov. 7)	$ ▲4,068,109	$ 3,917,926	$ 169,472,062	$ 163,896,247
P.R. gr. earn., wk. (Nov. 7)	$ ▲3,052,000	$ 3,023,000	$ 122,028,000	$ 117,213,000
P.R. net revenue (Sept.)	$ 3,141,712	$ 3,422,884	$ 13,073,491	$ 11,827,468
N.R. net revenue (Sept.)	$ 2,342,485	$ 2,962,637	$ 10,527,862	$ 6,205,461
ess Conditions—				
eekly index, D.B.S. (Nov. 7)	▲102.0	110.7	......	......
ancial Post Index (Sept.)	123.8	115.1	......	......
and Steel (September)—				
g iron production (tons)	77,180	51,892	655,438	465,785
el ingots and castings prod. (tons)	114,622	86,077	1,077,462	813,734
mobiles (Number)—				
ssenger Cars:				
Domestic sales* (Sept.)	3,920	4,008	96,266	76,294
Factory output (September)	1,926	2,481	117,816	100,088
ucks and Buses:				
Domestic sales* (Sept.)	2,220	1,584	25,463	18,019
Factory output (September)	2,491	2,174	43,855	25,650
xports (September)	4,002	3,514	55,418	43,777
nancing (September):				
Used	$ 2,624,418	$ 1,939,819	$ 28,801,607	$ 20,559,082
New	$ 2,436,600	$ 1,922,520	$ 33,620,370	$ 24,770,774
struction—				
Cons. contracts (Oct.)	$ 20,169,900	$ 14,957,200	$ 198,576,800	$ 142,628,800
roduction—				
Cement, bbls. (Aug.)	909,000	601,000	3,831,726	2,796,751
Clay (July)	$ 511,950	$ 406,304	$ 2,108,498	$ 1,777,375
Gypsum, tons (Aug.)	116,800	81,900	620,470	453,856
iculture—				
our prod., bbls. (Sept.)	1,437,586	1,516,123	9,627,293	10,706,826
our exp., bbls. (Oct.)	▲336,478	464,013	3,343,412	3,966,135
eat exp., bus. (Oct.)	▲10,055,102	26,917,096	74,829,853	189,303,774
ttle sales (Sept.)	136,319	100,156	726,633	621,536
g sales (Sept.)	74,147	85,109	744,988	681,373
Fisheries—Sept.‡—				
tch, cwts.	1,467,789	1,084,521	7,101,549	6,876,861
anded value	$ 1,926,755	$ 1,469,193	$ 14,454,625	$ 13,386,073
sprint (tons)—				
roduction (October)	▲314,594	301,106	3,042,961	2,604,831
xports (September)	308,654	278,368	2,528,527	2,130,287
ing—				
al prod., tons (August)	1,222,976	1,056,032	9,359,159	9,008,929
al imports, tons (Sept.)	1,627,592	1,394,911	11,538,423	9,368,000
old prod., fine oz. (Aug.)	348,500	328,700	2,669,225	2,425,515
ickel prod., lb. (Aug.)	20,662,233	12,379,095	147,840,919	107,927,120
pper prod., lb. (Aug.)	44,583,629	35,436,299	329,899,425	269,634,996
loyment D.B.S. Index (Oct. 1)—				
ll industries	125.7	110.1	......	......
anufacturing	121.7	109.0	......	......
tric Power Output (Sept.)—				
tal monthly m.kh.†	2,051,849	1,916,296	18,937,482	17,331,511
de (September)—				
etail trade (index no. of sales)	81.0	75.6	......	......
holesale trade (Sept.)●	12.0	......	......	......
pt. store sales (July)	74.8	71.0	......	......
ry gen. store sales (Sept.)●	5.0	......	......	......
ports (September)	$ 70,240,465	$ 52,982,972	$ 593,018,033	$ 450,866,373
ports (October)	$ ▲103,702,182	$ 113,002,780	$ 928,206,791	$ 805,629,169
er Industrial Factors—				
ssed lumber, exp.:				
. bd. ft. (September)	223,507	160,506	1,427,399	1,206,971
ot & shoe prod., pr. (Sept.)	2,256,289	2,106,801	19,116,522	16,818,356
ude petrol., imp. gal. (Sept.)	153,314,465	134,048,064	978,557,025	879,146,893
tton imports, lb. (Aug.)	5,197,044	7,096,721	97,591,652	82,534,405
w rubber imp., lb. (Sept.)	5,367,536	5,361,220	50,810,537	43,134,281
garette cons. (Sept.) No.†	627,062	516,172	5,001,210	4,062,565
ar (lb.)—				
lting & sales‖ (raw)	102,797,489	101,765,672	649,964,220	682,508,745
anufactured‖	107,850,853	101,692,741	634,134,794	661,100,373
ance—				
nk debits (September)†	$ 2,733,625	$ 3,133,565	$ 26,253,226	$ 25,893,228
nd sales (October)	$ 50,606,900	$ 125,730,675	$ 966,049,614	$ 1,152,906,316
e insurance (September)	$ 27,514,000	$ 26,090,000	$ 280,868,000	$ 262,300,000

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
000's omitted ‡For 4 weeks to Oct. 9.
●Perce age increase over last year.
‖Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.

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Trade Treaty With Belgium Almost Ready

Present Balance Three to One in Canada's Favor

CHEAPER GLASS SEEN

By STAFF WRITER

OTTAWA.—In keeping with its general policy of extending trade by special agreements the King Government will soon announce a new pact with Belgium. The result, it is expected, will boost the export of Canadian wheat, copper, lead and other base metals to Belgium which in return will send this country more glass, rolling mill products, acids and chemicals.

The change in the Belgian Government has slightly delayed final negotiations, but it is confidently expected that formal announcement will be forthcoming almost immediately.

Relations between the two countries have become much closer since the recent appointment of a full status Belgian minister at Ottawa. This step, it is expected, will be followed shortly by appointment of a Canadian minister to Brussels.

Trade Growing

Trade between the two countries has been growing but with the balance continuing strongly in Canada's favor. For the fiscal year ending March last, Canada exported more than three times the value of imports. The attached table of leading products involved does not give a complete picture of the situations as there are scores of important items which collectively roll up substantial totals. Thus Canada exports very considerable amounts of those metals not produced in Belgium, but which that country must have as raw materials for her vital heavy manufacturing industries. Again on the import side the Dominion is a considerable buyer of a varied list of chemicals totalling probably $200,000 a year. Dyes form another big import and also woollen goods of different sorts.

Lower Glass Possible

Whether lower glass prices in Canada will follow ratification and operation of the new treaty, trade officials will not say. European production is controlled by an international cartel. Lowering of the duty by Canada on Belgian glass, therefore, may not affect prices, the cartel simply absorbing the cut.

Canadian industry, it is claimed, cannot be affected unfavorably because practically no glass is manufactured in this country. Belgium. United States and Great Britain are the main sources of supply. Cutting, finishing, polishing and fabricating into windshields and other articles constitutes the bulk of manufacturing here.

Leading Exports to Belgium

	1937 $	1936 $
Wheat	19,183,000	7,814,000
Textiles	126,000	183,000
Lumber	68,000	150,000
Wood pulp	30,000	129,000
Aluminium	32,000	105,000
Copper, bars, etc.	744,000	612,000
Lead	193,000	226,000
Zinc, ore	816,000	139,000
Zinc, spelter	291,000	321,000
Silver	150,000	187,000
Asbestos	439,000	331,000
Rubber goods	162,000	......

Leading Imports from Belgium

	1937 $	1936 $
Hatters furs	555,000	520,000
Cotton fabric	447,000	333,000
Flax, hemp, jute prod.	228,000	180,000
Rolling mill products	855,000	635,000
Coal	174,000	306,000
Glass:		
Window	580,000	462,000
Plate	479,000	119,000
Diamonds	787,000	601,000
Non-metallic minerals	247,000	196,000
Gloves (leather)	66,487	111,000
Wool waste	194,000	......
Paper products, including books	224,000	193,000

TOTAL TRADE

	1937	1936
Exports	23,435,000	11,061,000
Imports	6,695,000	5,093,000

Publishers Pay Big Cable Bill

From Our Own Correspondent

MONTREAL.—An interesting side-light of the recently concluded contract between the Australian-New Zealand publishers and seven of the Canadian newsprint manufacturers is the statement made by Willian Dunstan, general manager of the Melbourne Herald and Weekly Times, to the effect that since his arrival in Canada last May to negotiate the agreement, he has cabled 30,000 words to his principals at home.

At the deferred rate of 19 cents a word, the Australian-New Zealand papers had to foot a cable bill of $5,700.

Background of Business

Will Car Prices Hold?

Chrysler Corp. in United States has reduced the prices of its de luxe model in the Plymouth line by $15 from the initial price list for the 1938 models announced last month. The move was prompted apparently for a competitive reason and it is thought probable that some other companies may announce similar adjustments. There has been considerable uncertainty in the whole matter of price increases, particularly the lower price field. Much of this has been due to the fact that the new Fords are only now making their appearance and so far have been unaccompanied by any further increase from the general 5% rise of several months ago. Then again there was and is still a possibility of motor makers getting lower steel prices which might affect costs when production on the new models really gets into its stride some months hence.

The recent Plymouth change brings current prices on the de luxe models to only $20 higher than the comparable 1937 models.

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Smaller Lumber Cut

A 25% reduction in the lumber cut in New Brunswick is expected this winter. Less certain export markets, higher freight rates and higher cost of production are cited as chief reasons for this prospective reduction.

Similar predictions are made with regard to the export lumber industry of British Columbia where monthly ocean shipments already indicate a very substantial reduction. Exports to the Orient owing to the hostilities between China and Japan are down approximately 50% from earlier months this year. Aside from this special situation recent high freight rates and weaker demand in Great Britain are blamed on the Pacific Coast for the present poor showing. A drop in exports to Australia and New Zealand has been more than offset by increased shipments to Egypt and other African ports but so far this is about the only gain in export markets reported.

United States export mills in the northwest appear to be suffering even more seriously. United States is not expected to purchase even its restricted quota of 250 million feet of lumber in Canada this year and has also curtailed its Canadian shingle quota so seriously that business remaining for the rest of the year for British Columbia mills is not sufficient to keep half the camps operating.

A recent drop in ocean freights is eventually expected to help the B. C. situation although the export market still remains weak.

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Hardware Prices Ease

As a result of the past three months almost steady decline in prices of basic raw materials, quotations on many lines of finished hardware and more or less manufactured materials handled by hardware concerns are coming down, according to Hardware and Metal. Among such items are white lead in oil, lead pipe, lead pipe waste, wool, etc., rope and other products made from cotton, brass and copper wire, turpentine and brass and copper sheets, rods and tubing. If the present weakness in the general metal markets continues, it is expected that many of the price increases announced last summer may be revised downward. In the meantime sales are reported being maintained at close to the very satisfactory level established earlier in the year.

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Big Paint Job

Some 500 tons of under coat paint are being used on the new Cunard-White Star liner Number 552, sister ship of the Queen Mary, according to Hardware and Metal. Five coatings will be made of this red colored material, followed by a final interior finish of white. White has been selected in order to keep the big boat cool. Because most of the interiors of the vessel will be lined with wood veneer great care has been taken to make a thorough rust-proofing job of the painting and with its five coats of red and one of white it is said to be guaranteed rustless for 25 years.

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Higher Priced Cars

September sales of automobiles in Canada were naturally light in view of the fact that this was the month just previous to the introduction by most companies of their new 1938 models. Total sales according to the Dominion Bureau of Statistics amount to almost 4,000 cars, or slightly under the corresponding figure a year ago. Of this number nearly 2,650 were sold in eastern Canada with the balance, a little over 30% sold in the western provinces. The following analysis of leading makes sold in eastern Canada again emphasizes the fact that so far this year Canadians are purchasing an increasing percentage of medium or higher priced cars:

New Passenger Car Registration (In Eastern Canada) Leading Models

	Sept., 1937	Sept., 1936	Year to Date 1937	Year to Date 1936
Chevrolet	609	823	15,446	15,774
Ford	602	781	15,116	13,208
McL.-Buick	335	136	3,311	2,344
Pontiac	253	182	4,729	2,173
Oldsmobile	229	198	4,178	3,624
Plymouth	205	300	9,587	6,750
Dodge	157	341	10,744	6,942
Terraplane	122	99	2,158	1,696
Lafayette	80	18	1,777	325
Chrysler	49	110	2,598	1,862
	2,641	2,988	69,644	54,698

ARE ENGINEERS PEOPLE?

We think they *are!* So, even in *technical* paper advertising—designed to assist the development of the British American Oil Company's newly formed Asphalt department—we sought to "humanize" the approach.

Each advertisement has told a thoroughly factual but none the less dramatic news story. How a section of the Trans-Canada highway was built over seemingly bottomless muskeg. Or how a scenic drive for motor cars supplanted an old street railway at Niagara—stories giving credit to the engineers concerned.

And these stories, so our engineering friends tell us, were *read* with unusual interest by people who *buy asphalt!*

But being realists, we were inclined to discount these assurances until our client also told us of the progress the Asphalt department was making!

The advertising of the British American Oil Company Limited is directed by the

J. WALTER THOMPSON
Company, Limited

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C.I.O. Unions Are Hobbled

Duplessis Imposes Restrictions Under Quebec Labor Laws

From Our Own Correspondent

MONTREAL.—Premier Duplessis, of Quebec, has crystallized his previously avowed hostility to C.I.O. unions and their alleged Communistic influences in this province, with a declaration imposing concrete handicaps on such unions in so far as Quebec labor statutes are concerned.

Several pieces of Quebec legislation affecting labor, particularly those involving collective agreements and functioning of joint employer-labor committees in various industries, stipulate that recognized labor groups or workmen's representatives shall spring from organizations "bona fide or having the status of a civil person." In other words, if such bodies are not incorporated they must be satisfactory to the Provincial Government.

Premier Duplessis has now laid down the principle, in effect, that C. I. O. unions are not satisfactory to the Government as groups to be granted acknowledged status in the application of these labor acts. Specifically, he refused to grant a request of a delegation of labor men who asked that joint committees functioning under the Act Respecting Workmen's Wages be allowed to proceed, without authorization of the attorney-general, against employers alleged to have discriminated against workers because of union membership or activity.

No Status

The Premier observed that the right of initiating such action against an employer already lay with joint committees, but that exercise of penalizing procedure must obviously lie with the Crown authorities. But in any event, he declared, he would certainly not sanction any proceedings arising out of cases involving C. I. O. unionists, such as that cited by the delegation, or calling for recognition of C. I. O. unions as labor groups recognized under the statutes.

Bankruptcies

The Canada Gazette announces meeting of the creditors has been called in the matter of:

British Columbia:
Bower Engineering Works Ltd., Vancouver.

Ontario:
Bell, J. S., Hamilton.
Rogers, G. S., Brantford.
Clendenning, W. E., Toronto.
Karl, A., South Porcupine.
Ont. Engraving Co. Ltd., Hamilton.
Strathroy Furniture Co., Ltd., Strathroy.
Steckley, D. E. & H. A., Toronto.

Quebec:
S & P. Shoe Ltd., Beauport.
McElligott, E., Cowanville.
Taillon, J. L., Victoriaville.
Levasseur Enrg. P., Mont Joli.
Turgeon, L. G., Quebec.
Outremont Grocery, Montreal.
Richard, S., Lac au Saumon.
Allard, J. A., St. Omer.
Capital Securities Corp. Ltd., Montreal.

Foreign Business

United States Department of Commerce summaries foreign business as follows:

Philippine Islands — New budget proposes an appropriation of $50,000 to the Manila Railroad for tourist-trade promotion; a distilling corporation has been formed to produce motor alcohol from molasses.

Sweden — Business and industry continued at boom levels during the third quarter with immediate outlook encouraging; the only internal factor arousing concern is the possibility of labor difficulties with the expiration of several wage agreements.

Denmark — Outlook has become more favorable although continued improvement still depends on favorable export developments; at the end of the third quarter export industries were working at capacity and shipyards were busy on foreign construction.

Ecuador — Sales volume below normal in October, owing to price decline in the principal export products; liberalization of banking credit policy created a better situation toward the end of the month.

Costa Rica — Higher living costs without compensatory wage increases have kept trade at a low level.

Union of South Africa—Sustained imports volume and sound financial conditions have maintained business at a satisfactory volume; agricultural outlook encouraging.

Peru—No improvement from the slight retrenchment of September was observable during August, owing largely to adverse export prospects—especially the low price level for cotton.

Commodities

Aside from silk and coffee most basic commodities in which Canada is interested either as an importer or producer, have been showing more signs of strength recently. Gain in farm produce prices has been particularly pronounced and should do much toward bringing actual farm income up to previous estimates.

Representative prices are as follows:

Price Range

	Latest week	Previous week	Same week last yr.
Cattle	$8.5	$8.80	$5.85
Hogs	9.00	9.00	8.25
Copper, lb.	.12	.12	.10½
Cotton, lb.	.08	.0785	.1218
Rubber, lb.	.1475	.1444	.1788
Sugar, raw, lb.	.0322	.0325	.0367
Silk, lb.	1.69	1.71½	2.00
Wheat, Man. (bu.)	1.35⅝	1.35¾	1.09
Coffee, lb.	.06⅛	.07½	.08¼
Hides	.12	.13	.12¾

Weekly Indices

	Latest week	Previous week	Same week last yr.
Canada (D.B.S.)	83.6	84.4	78.8
N. Y. Annalist	88.9	89.5	86.0
Fishers'	87.1	87.9	85.3
N. Y. Journal of Comm.	82.1	82.1	83.1
Crumps (Brit.)	79.0	79.4	73.7

Monthly Indices

	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (Oct.)	84.1	83.6	81.1
W'sale (Oct.)	85.9	85.0	76.0
U. S. (Aug.)	87.5	87.9	81.6
Gt. Brit. (Aug.)	111.6	111.5	96.2

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1926 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price, Toronto; Copper-electrolytic, New York; Silk—Japanese, 13-15 New York; Sugar — 96 degree centrifugal c/f New York; Wheat—No. 1 Man. North, Ft. W.-Pt. A. Basis; Hides—No. 1 packer light

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Denomination: $1,000

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Willing
TO LISTEN

Many manufacturers will make decisions on company policies at the end of this year, which will make or break their company's future.

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Those who are aggressive and unafraid.

Those who are undecided and hesitant.

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Construction

New Devices For Light, Air At Ford Plant

Windsor Structure Has 24,000 Feet of Conveyors

COVERS 14 ACRES

Special devices to ensure the best possible lighting according to modern factory standards, are among the features of the huge new body and assembly plant of the Ford Motor Co. of Canada at Windsor, recently completed at a cost of $3.3 millions and now operating to give employment to several hundred workers.

A maximum of light during normal daylight periods is obtained through oversize roof skylights, extensive glassed sections of walls, and liberal use of aluminum paint on interior surfaces. On dark days or at night, a clear white light closely resembling daylight shines from high intensity mercury vapor lamps.

The most advanced modern practice has been followed to ensure adequate ventilation, heat and other comfortable working conditions for employees. Natural and artificial ventilating facilities are utilized to keep air within the building as fresh as possible, and presence of dust and dirt is reduced to a minimum. Motor driven unit heaters suspended from roof trusses maintain an average temperature of 68 degrees.

Easy Handling

Rooms where body finishes are sprayed on are fully enclosed and enamel is dried and hardened in long, enclosed baking ovens. Easy handling of manufactured and assembled parts is facilitated by 18,000 feet of overhead conveyor system, and 6,000 feet of slat, roller and belt conveyors. In the last section of the final assembly line, moving platforms carry workmen along at the same speed as the conveyors as they complete their work on the moving units.

Large quantities of construction materials, particularly steel, glass and masonry, were used in erecting the fireproof plant. The project required 5,000 tons of steel, 236,000 square feet of glass, one million board feet of creosoted wood block flooring, laid on a concrete base; and 1.1 million square feet of spray painting. At times more than 1,000 men were employed in construction. Providing 571,000 square feet of manufacturing space the plant houses both the body fabricating operations and the final auto assembly line. It is connected with the machine shop building with a subway under the Essex Terminal Railway tracks.

Access to the plant from all sides is provided by a heavy duty concrete roadway running completely around the building, and by exceptionally wide doors, many of them power-operated. Specially wide trucking aisles feature interior facilities, and railway car shipments are handled on depressed tracks along two sides of the plant and by overhead electric cranes. An asphalted area south of the building will be used as a testing ground, and covered space is provided for finished cars.

Covering 14 acres, the plant is the largest unit in Ford of Canada's $8 millions expansion programme and is one of the largest industrial buildings constructed in this country this year.

New Building

J. R. Booth, of Ottawa, has initiated construction of a $75,000 residence on a 50-acre estate he recently acquired at Deschenes, on the road from Ottawa to Aylmer.

General Motors of Canada has added materially to the growing total of building permits issued in Oshawa, Ont., by construction of an overhead conveyor at an estimated cost of $90,000.

Toronto Transportation Commission has obtained permit for basic structure of garage in north end of city, estimated to cost over $200,000 and designed to accommodate 100 vehicles, chiefly those engaged in intracity operations.

International Fertilizers Ltd., Saint John, N.B., expects to have completed by the end of the year its $50,000 plant extension in which it will inaugurate a new process of fertilizer mixing developed in its plants in Holland.

Bell Telephone Co., Montreal, is preparing to initiate construction of addition to the building housing facilities of the "Crescent" exchange.

Department of Public Works, Ottawa, will be awarding contract in near future for erection of $150,000 public building at Prince Rupert, B.C.

Canadian Spool Cotton Co., Montreal, plans to award contract in December for construction of addition to its factory.

Swift Canadian Co. has obtained permit for erection of $50,000 wool house at its Toronto plant.

Province of Alberta plans to construct a hard-surface highway from the American border to Edmonton as part of its $7 millions programme for hard-surfacing main trunk roads during the next three or four years.

New Toronto, Ont., officials report that a New York firm is considering establishment of a plant at New Toronto, estimated cost being set at $150,000.

Canadian Pacific Railway Co. is reportedly considering plans for reconstruction of the Hotel Vancouver, Vancouver, B.C., at an estimated outlay of $1 million.

Consolidated Sales Book & Wax Paper Co., Hamilton, plans early reconstruction of at least the main portion of its plant, destroyed by fire with an estimated loss of $200,000.

Canadian Silk Products Ltd., Sherbrooke, Que., has initiated construction of $100,000 addition to its mill.

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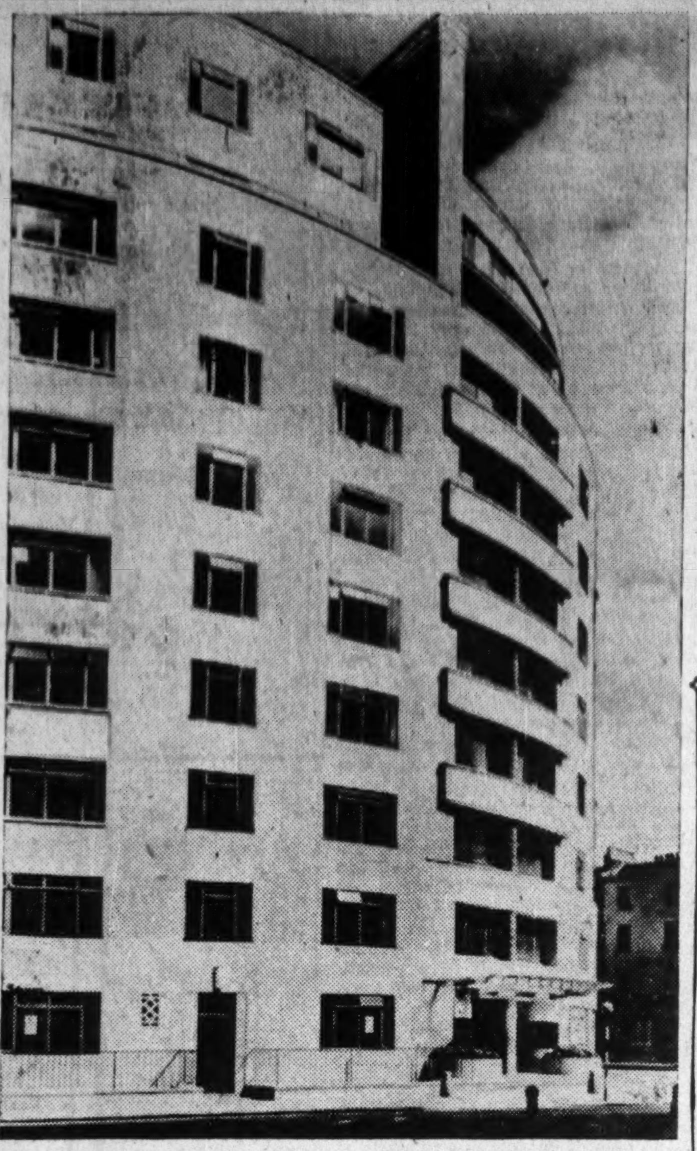


An interesting treatment of an apartment house façade curved to fit a winding street, is shown in the British display at Toronto Art Gallery.

Building Display Shows Old Country Modernism

Architects Believe Trends Unlikely to Gain Headway Here

Canadian architects and builders are showing interest in the modernistic designs embodied in the photographic display of modern British architecture at the Toronto Art Gallery, but have found limited applicability in Canada for some of the materials and construction methods. The display was assembled by the Museum of Modern Art in New York, and is being sponsored in Toronto by the Art Gallery and the Ontario Association of Architects, Toronto branch.

An extensive use of concrete and stucco, and of structural specifications and methods indicating comparatively short-term durability, feature many of the units in the show. Evident especially in regard to dwelling units, these tendencies are attributed to a number of factors, chief among which are:

British Trend

1. The necessity for speed of construction to meet the demand for improved and modern housing.
2. Deliberate policy on the part of many architects and builders in England, who are abandoning the standard of indefinite structural durability and advancing a gospel of 10- or 15-year durability to cope with the rapid changes in building styles and materials.
3. Shortage of fully trained skilled building artisans, and willingness of builders to accept substandard work because of demand pressure.

Also observed in the display is a tendency to fancy construction and unnecessary flourishes in regard to special building units. This is believed to be the result of a desire to make the most of comparatively high cost materials by utilizing relatively cheap labor to produce the utmost in unusual effects.

In Canada a reverse situation prevails, with fairly high labor costs and comparatively moderate material costs and production of bizarre effects is avoided except in cases of functional necessity or special requisition.

Conditions Different

In Canada the supplanting of brick and similar materials by concrete and stucco as an exterior finish in construction of the smaller, lighter type of buildings such as dwellings, has not yet gained the headway indicated by the British display. It is felt that such substitutions in the manner reflected in the photos on display, and absence of such finishing details as metal flashings along roof edges, are not likely at present to be generally adopted. Brick and related materials will continue to be used in central Canada, it is believed, because of their combination of durability with resistance to extreme climatic conditions and acceptance by purchasers, while still being adaptable to modernistic design.

Special effects in shaping of building façades illustrated in some of the displays appear to result largely from odd street formations so prevalent in England. For instance, the curved fronts of several apartment buildings are attributable not so much to deliberate design of the architect as to necessity of adapting the building to a curved street line and utilizing the apartment site to best advantage. Such conditions are found to a very limited extent in Canadian urban centres.

A new drug warehouse elicits interest by extensive use of glass, which forms virtually the entire outer wall space. This is accomplished by the so-called cantilever type of construction.

Foundation Co. Bid Low On Montreal Pier Work

From Our Own Correspondent

MONTREAL.—Foundation Co. of Canada submitted the lowest tender for the work of constructing the downside face of the Alexandra Pier in the Montreal Harbor.

Foundation Co. submitted a tender of $542,835; E. G. M. Cape Co., $595,682; and Angus Robertson Co., $626,583.

Chemical Firm Plans New Unit

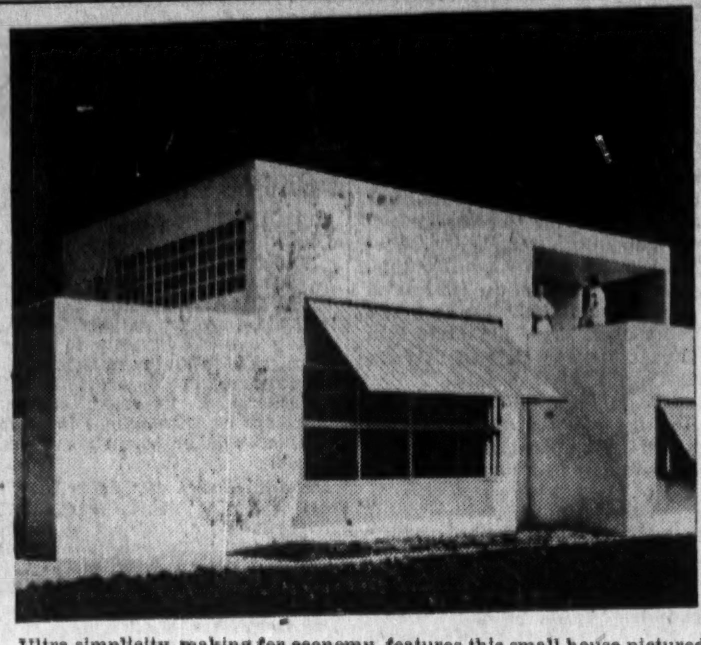
Construction of a plant for Canadian Titanium Pigments Ltd., newly formed industrial chemical firm which recently acquired a 240-acre site at Cap de la Madeleine, near Three Rivers, Que., may be deferred for a year or more, The Financial Post is advised officially.

The Canadian demand for titanium dioxide, known as the "whitest" pigment available for use in manufacture of paints, rayon, linoleum, oilcloth, rubber and special papers, is at present met largely by imports from England and the United States. The market is said to be expanding, however, to a point justifying establishment of the Quebec plant in the future.

Both chemical and mechanical processes are required to extract the pigment from titanium-bearing ore, a black sand obtained on the shores of India. Unofficial estimates set the cost of completing the project as high as $2 millions.

Blue Water Bridge

Completion of the Blue Water International Bridge across the St. Clair River between Sarnia, Ont., and Port Huron, Mich., is now expected by the fall of next year, as most stages of the construction are ahead of schedule.



Ultra simplicity, making for economy, features this small house pictured in the British architecture exhibit at Toronto Art Gallery.

U. S. Building Slows Down

Special New York Projects Bolster Receding Volume

Had it not been for special building acceleration in New York, construction operations in the United States last month would have shown a distinct recession.

Volume of new activity in that country during October showed an increase over the September record nearly double the usual September-October seasonal advance (2.5%), and maintained almost exactly the same level as in October, 1936. The cumulative total of building initiated during the first 10 months of this year shows a gain over the same period last year.

But the rate of increase in the cumulative aggregate has grown progressively smaller month by month and the ten-month total is substantially behind the equivalent figures for the years 1927 to 1931 inclusive.

According to the monthly building report of Dun & Bradstreet, based on building permit totals of 215 American cities, the higher gain in October and September is more than accounted for by permits totalling $17.5 millions for three major projects—college, prison and courthouse structures—in New York.

Had it not been for launching of these three units, October's total of $90.6 millions would have been cut to $73.1 millions — substantially below both September's figure ($86.7 millions) and that for October, 1936 ($90.7).

Elimination of the October figure for all New York City permits leaves a national total for 214 cities which is 16% less than the September volume for these cities and 18.5% less than in October, 1936. The Dun & Bradstreet regional analysis records gains for the New England and middle Atlantic areas of 12% and 56% respectively, but other regions of the country show recessions ranging from 6% to 44%.

The aggregate total of permits for the 215 cities during the first 10 months of this year is $942.3 millions, a gain of 14.7% over the like period of 1936, but still behind the 1930 and 1931 totals of $1,448 millions and $1,053 millions. The 10-month totals in 1927, 1928 and 1929 were $2,895 millions, $2,855 millions and $2,623 millions.

Despite the marked recession in most regions during last month, the regional totals for 10 months reflect gains ranging from 8% to 51%, except in the south central region, where a drop of 5.3% is shown. Ten-month totals in the larger cities surveyed showed most substantial gains achieved in Boston (127%), Chicago (66%), Philadelphia (48), and Portland, Oregan (40).

Construction World

H.I.P. Expenditures

An estimate that plumbing and heating improvements or new installations account for 35% of the expenditures made under the Home Improvement Plan has been figured by the Canadian Institute of Plumbing and Heating. The estimate is based on a provisional classification issued by the Director of Housing at Ottawa, analyzing 6,000 out of 20,000 applications being surveyed. The Ottawa figures divide H.I.P. expenditures as follows: general contracting trade, 51%; plumbing and heating, 23%; painting and decorating, 15%; roofing, 7%; electrical, 2%; insulation, 2%.

* * *

Stabilized Taxes

The restrictive effect of unduly heavy and overlapping taxation on construction and realty activity, which will form the theme of several of the briefs to be presented to the Rowell Royal Commission on Dominion-Provincial Relations, got a generous share of attention at the recent convention of the National Association of Real Estate Boards in Pittsburgh. The realtors transmitted a request to President Roosevelt to "set up co-ordinating agencies to bring some order out of the chaos of local, state and national taxing agencies." The action requested sounds closely parallel to the purpose of the Rowell Commission.

The convention also heard a former governor (Cooper) of Ohio give a favorable report in Ohio's statutory limitation of taxation on real estate to 1½% annually on value. Other states have passed similar legislation, and the realtors would like to see the principle extended to as many of the states as possible.

* * *

Toronto Courthouse

Complaints of the York County Grand Jury as to inadequate court facilities in Toronto have revived the agitation for a separate courthouse building. The complaint has been taken up by civic authorities and a request may be forwarded to the Provincial Government to initiate construction of the new unit. The project was considerably in the limelight several years when officials of the Attorney-General's department discovered particularly unsatisfactory accommodation for police courts and prisoners waiting trial, but action was deferred when civic authorities enlarged and improved police court facilities.

At present, the courts constituting the appeals division of the Supreme Court of Ontario are housed in stately Osgoode Hall, while police courts, county courts and the trial division of the Supreme Court are accommodated in City Hall. The proposal now being discussed is for structure costing approximately $2 millions in which would be housed the courts now in City Hall. A major difficulty is choice of a site for the new structure, a plan to erect it on part of the spacious grounds of Osgoode Hall or to build a large addition to the hall having met with emphatic opposition from those desirous of preserving the architectural integrity and impressive appearance of Osgoode Hall.

Quebec Farm Board Loans $10 Millions

From Our Own Correspondent

MONTREAL.—The Quebec Farm Loan Board, which was established in February last, received 24,138 requests for loans up to Nov. 6, averaging $2,544. Of these 4,278 have been approved, representing a total of $10,840,794. Approximately 40%, or 1,674, of these loans have actually been paid, amounting to $4,311,644.

According to statistics compiled by the board, $3,170,000 of the amount that has actually been lent has been used to meet mortgages, including municipal, school and church dues, and $945,182 for ordinary debts.

Loans totalling $4.1 millions are secured by fire mortgages on property having a value of more than $10 millions, as estimated by the board, and $4.9 millions as valued by municipalities. Moreover, moveables and stock possessed by the mortgagees are valued at $2.7 millions.

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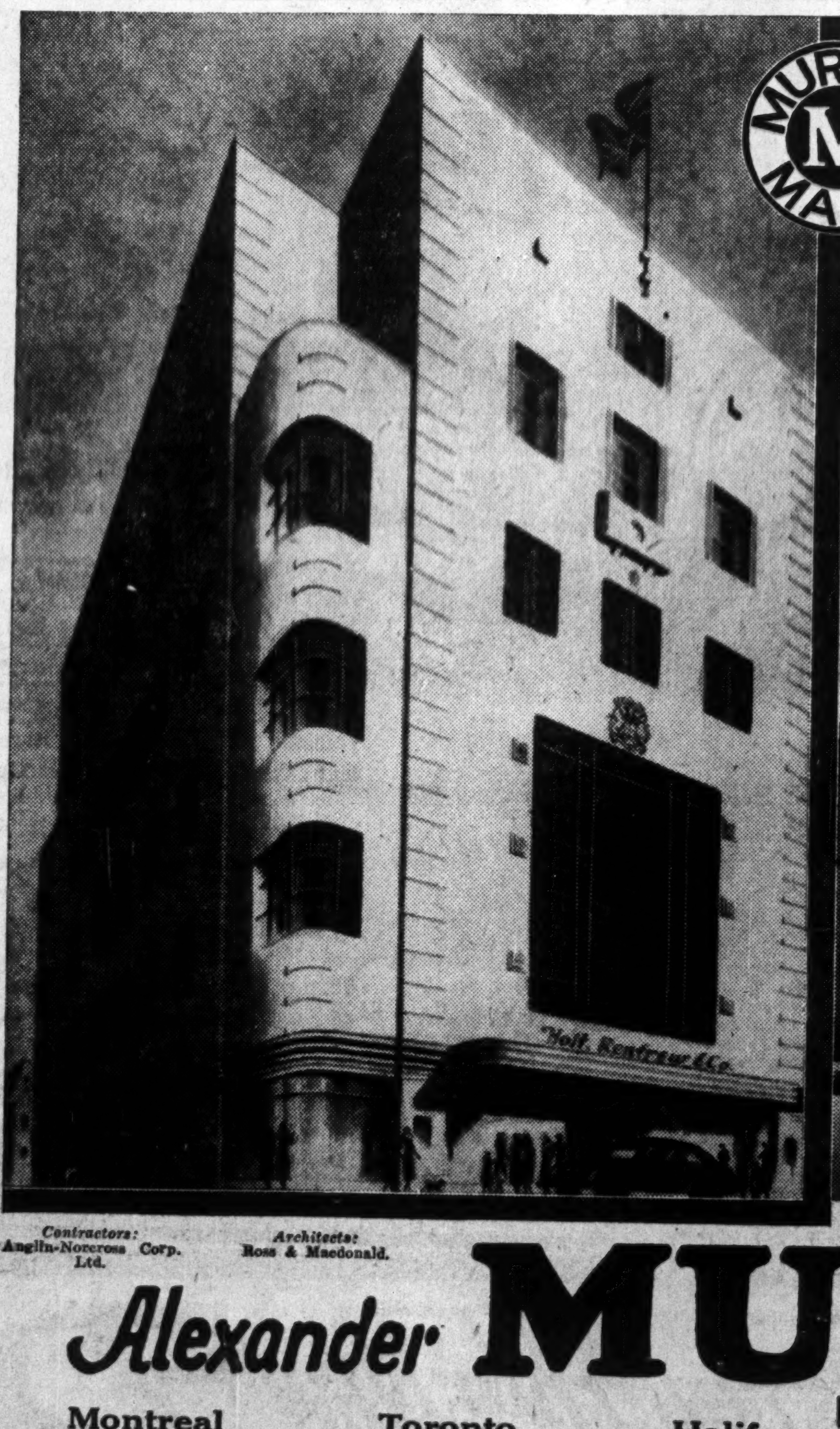
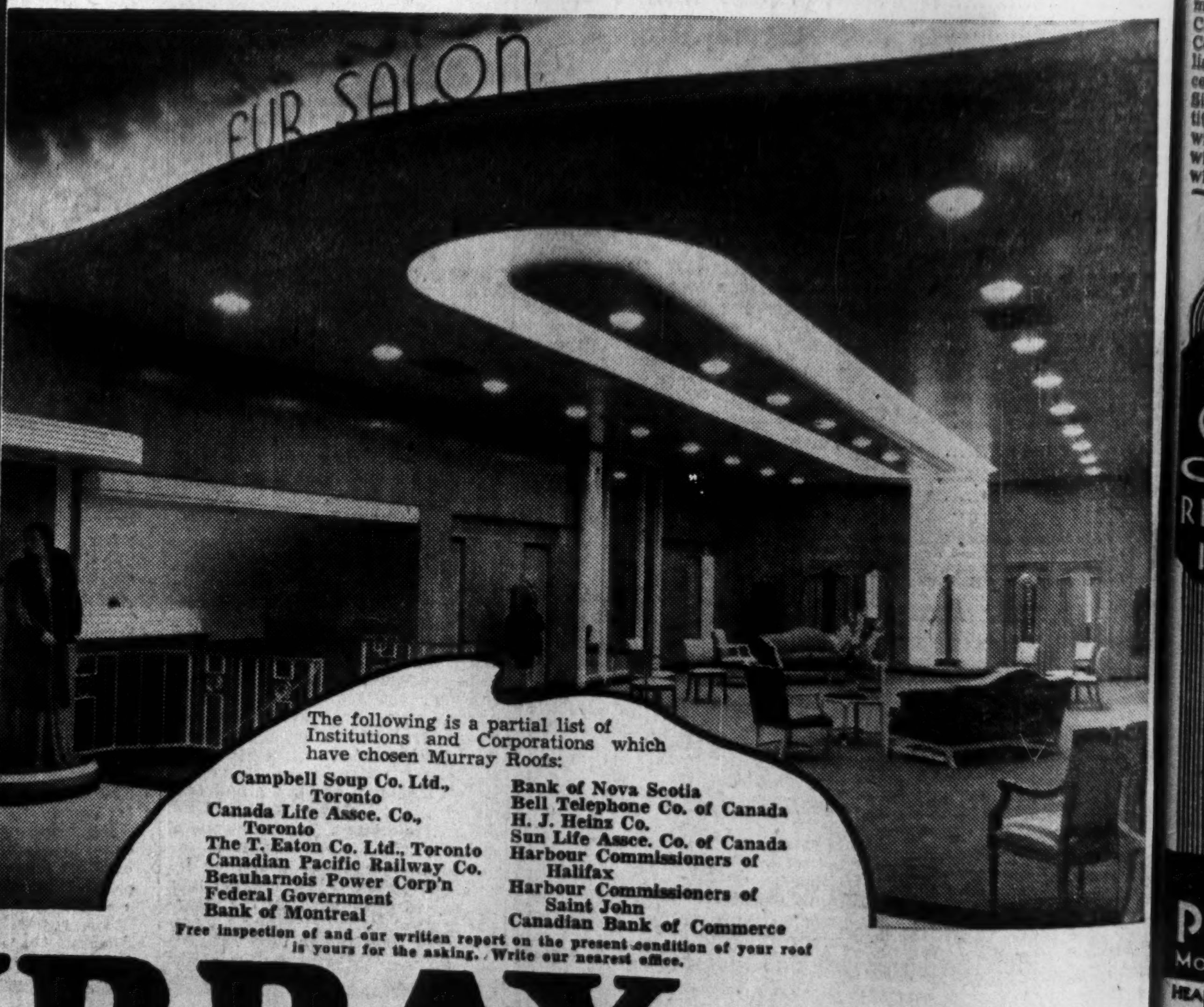
MURRAY MADE

CANADA'S MOST MODERN STORE CHOOSES A MURRAY-MADE ROOF

It is significant that the new Holt, Renfrew Store in Montreal, the most modern temple of merchandise in all Canada, should be protected by a Murray Built-up Pitch and Gravel Roof. Costly furs are stored beneath this roof—rich silks and satins—imported treasures of apparel from Europe's capitals—all are assured absolute protection by the skill, experience and materials which go into every Murray Built-up Roof.



Contractors: Anglin-Norcross Corp. Ltd.
Architects: Ross & Macdonald.



The following is a partial list of Institutions and Corporations which have chosen Murray Roofs:

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Canada Life Assce. Co., Toronto
The T. Eaton Co. Ltd., Toronto
Canadian Pacific Railway Co.
Beauharnois Power Corp'n
Federal Government
Bank of Montreal
Bank of Nova Scotia
Bell Telephone Co. of Canada
H. J. Heinz Co.
Sun Life Assce. Co. of Canada
Harbour Commissioners of Halifax
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Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.

Canada Bud

What rate of dividends is Canada Bud Breweries Ltd. paying at present?

In 1936 Canada Bud Breweries paid dividends of 40 cents a share on July 20 and Dec. 19, a total of 80 cents a share. A payment of 40 cents, paid July 20, 1937, was covered by net profit of 42 cents a share earned in the first six months of the year. These are treated as interim payments, with the amount of each dividend determined largely by earnings for each half-yearly period. More than 50% of the year's business is done in the four summer months, three of which fall in the last half of the year. On this basis, it is reasonable to expect that earnings should justify another dividend of not less than 40 cents a share for the second half of 1937.

La Salle Debentures

What progress is being made toward clearing up the Town of La Salle default situation?

Ontario Department of Municipal Affairs is still supervising the affairs of the Town of La Salle with a view to clearing up the default situation which has existed since early in 1932. Additional information must be compiled, and it will likely be some time early in 1938 before a definite plan of settlement can be presented.

Hawkesbury Bonds

I hold Town of Hawkesbury debentures which fall due in December. Am I likely to be paid in full?

Hawkesbury has defaulted on all interest and principal payments since October, 1932. The Ontario Municipal Board stepped into the picture on June 1, 1933, and acted until April, 1935. Since that time all financial affairs of the municipality have been under the supervision of the Ontario Department of Municipal Affairs. The town is levying for a reserve to build up its financial position to a point where refunding of existing debentures will be possible. No payment of principal will be made on debentures maturing in December. Holders will likely be asked to make concessions, but a plan of settlement will probably not be ready until early next year. It is encouraging to note that the financial position of the town has improved considerably in the last year.

Imperial Oil

Please comment briefly on Imperial Oil, particularly with regard to its dividend rate.

Imperial Oil Ltd. has been earning slightly less than $1 a share, while paying dividends of $1.25. The company's strong financial position enables it to continue dividends at the higher rate for some years, even although not earned entirely. Nevertheless you might consider a portion of the dividend as a return of capital. Nearly 90% of the company's earnings come from investments, mainly in subsidiaries, such as International Petroleum Co. Imperial also has substantial interests in Turner Valley of Alberta.

Champion Mortgage

I hold a savings certificate of Champion Simmons Investment Corp. Am wondering about its status, as I understand the company has been taken over by Champion Mortgage Corp. What is the financial standing of the latter company?

Champion Mortgage Corp., Edmonton, took over the assets of Champion-Simmons Investment Corp., early in 1937, and assumed the liabilities to holders of investment certificates issued by Champion-Simmons. You are accordingly entitled to carry on the savings plan with Champion Mortgage, if you wish, assuming that your contract with the old company was in good standing. According to an auditor's report, total liquid assets of the Champion Mortgage Corp. were $170,976 as at July 20, 1937. The report states that the company at present holds cash, government bonds and high-grade municipal bonds sufficient to liquidate its entire liability to certificate holders. Ratio of quick assets to liabilities to certificate holders, after deducting loans of $6,074, was $146.49 to each $100. Investments in Alberta are confined to $1,051 of mortgages and $25,000 of Alberta bonds.

Edmonton Bonds

Some time ago I received a letter from the Edmonton Debenture Holders Committee setting forth a plan for holders' approval, but have heard nothing since. What is likely to happen?

The plan for refinancing Edmonton debentures has received assent of more than the required 60% of outstanding bonds and a recommendation for its adoption is before the Lieutenant Governor of Alberta. As soon as this recommendation is endorsed steps will be taken to carry out the exchange of securities. The plan is just as outlined in the letter you received from the Edmonton Debenture Holders Committee. It will probably be some time before the new securities will be ready for exchange.

Jamaica Public Service

Is the 7% cumulative preference stock of Jamaica Public Service Co. a sound investment? I understand that the tramway service is to be scrapped next year. What portion of the company's fixed assets does this represent?

The 7% cumulative preference B shares of Jamaica Public Service Co. are regarded as a sound investment. As at Dec. 31, 1936, there was $323,000 of this stock outstanding and securities senior to the preference B stock were $750,000 of 7% preference stock and $2,015,092 of 4½% first mortgage debenture stock. The company has always earned and paid its 7% dividend on the preference B stock. In the year ended Dec. 31, 1936, net profit of the company amounted to $243,772, while dividend requirements on the 7% preference stock amounted to $52,500 and on the 7% preference B stock, to $22,610. Thus, there was a surplus of more than $168,000 available for common dividends and reserves.

It is true that the company plans to scrap its tramway service in 1938 and we are informed that this will mean a write-off of between $750,000 and $1 million. Such action will have little or no effect on earnings as the tramway service has not been a profitable venture in recent years. We are informed that the value of the tramway service can be written off without affecting the company's surplus. At the end of last year, land, plant and equipment of the company was valued at $4,136,251.

Industrial Alcohol

Does Hiram Walker-Gooderham & Worts control Canadian Industrial Alcohol? What are the prospects for the company?

Hiram Walker-Gooderham & Worts does not control Canadian Industrial Alcohol, but did acquire a large block of the company's stock early this year from the estate of the late Sir Mortimer Davis. There is a possibility of Hiram Walker-Gooderham & Worts making an offer to shareholders of Canadian Industrial Alcohol in order to secure control of the company.

Operations of Canadian Industrial Alcohol have shown some improvement in recent years, net profits in the year ended Sept. 30, 1936, amounting to 32 cents a share compared with 20 cents a share in the previous year. Results for the year ended Sept. 30, 1937, are not available as yet, but it is known industrial and domestic business showed satisfactory gains. It is also expected that earnings of the company's British subsidiary, Robert McNish & Co., will be higher.

The company has withdrawn from the American market and has sold its American-type whiskies. As a result the company has built up a strong cash position. While the cash position would seem to justify a dividend, it is possible that cash resources will be kept intact in order to obtain a more attractive offer for control of the company.

Dom. Gas & Electric

I am considering the purchase of Dominion Gas and Electric 6½% bonds. Can you give me a report on this issue?

Interest requirements on Dominion Gas and Electric 6½% bonds were covered 2.35 times in the year ended Dec. 31, 1936, and 2.02 times according to interim report for 12 months ended June 30, 1937. This issue is secured by junior securities of several operating subsidiaries, such as Edmonton Utilities, Northwestern Utilities, Canadian Utilities and Canadian Western Natural Gas, operating chiefly in Alberta and Saskatchewan. The subsidiaries have bonds and other obligations which are a prior charge on earnings. Investment experience in this issue so far has been satisfactory. Its future depends on the earning power of its subsidiaries, which is governed largely by general business conditions in the communities they serve.

Canadian Converters

Is any change in the management or financial structure of Canadian Converters contemplated? Why did the company defer its dividend? What is the book value of the stock?

We know of no contemplated change in the management or capital structure of Canadian Converters Ltd. The company deferred its common dividend in August of this year because of unsatisfactory earnings. Earnings have shown a steady decline since 1934 and the common dividend has not been earned since that year. In the year ended April 30, 1937, earnings on the common stock amounted to only seven cents a share while dividends of $2 a share were paid. During the past three years, surplus account and working capital have been reduced as a result of payment of dividends in excess of earnings. However, the company has now decided to conserve its resources.

The par and book value of the common stock of the company is $100 a share. Equity per share as at April 30, 1937, was $126.

Dom. Envelope (Western)

I hold 1st preferred stock of Dominion Envelope and Cartons (Western) Ltd. What is the present position of this company?

A 55% interest in the common stock of Dominion Envelope and Cartons (Western) Ltd. was formerly held by Dominion Envelope and Cartons Ltd. This controlling interest was sold in 1936 to Gair Co., Canada, Ltd. We are informed that Dominion Envelope and Cartons (Western) Ltd. is earning its preferred dividends by a good margin, and is making some progress in paying off arrears which accumulated during the depression. Regular dividend payments were resumed about two years ago. The stock was underwritten by James Richardson & Sons, Ltd., of Winnipeg, in 1928.

Massey-Harris

What are the earning and dividend prospects for Massey-Harris common stock?

Massey-Harris common is junior to a large preferred stock issue, on which there are arrears of over $30 a share, and a 5% bond issue of which $2 millions must be redeemed before any dividends can be paid. The common stock, therefore, is not in a favorable position at the moment for dividend payments. The company's earnings, however, have been improving and estimates for the current year indicate that preferred requirements will be covered. Business is largely international in scope and in many years the share of the total business obtained in Canada has not exceeded 33 1/3%. Thus, a crop failure in one section of Canada may not be a serious factor in reducing the company's earnings. Sales for the six months ended May 31, 1937, were up about 50% over the corresponding period of last year. At the time this announcement was made it was not expected that the same rate of increase would be shown for the balance of the fiscal period.

Cockshutt Plow

I would be interested in having your comments on the present position and prospects of Cockshutt Plow.

Cockshutt Plow Co. reported net profit of $21,486 in the year ended Nov. 30, 1936, equivalent to seven cents a share on the common, compared with loss of 73 cents in the preceding year. Sales showed a substantial improvement in the six months ended May 30, 1937, compared with the corresponding period of 1936. Toward the end of July it was officially stated that the company was off to a good start this year but with the crop deterioration in western Canada final results could not be estimated. Common shares are the company's only capitalization which make these securities more interesting from a speculative standpoint. The company is dependent upon recovery of agricultural income for its future welfare. Net working capital of over $3.5 millions was reported at the end of November, 1936, although there was a bank loan of $1.7 millions.

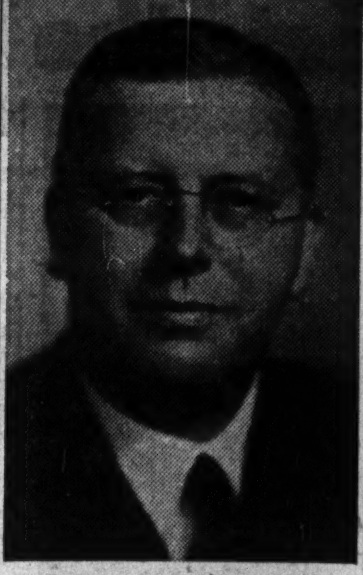
Premier Trust Co.

I am considering purchase of Premier Trust Co. stock, and would like a report on the company's financial position.

The Premier Trust Co., with offices at Toronto, London and St. Catharines, Ont., was formed under Dominion laws in 1916. Following acquisition of control by a Toronto financial group in 1931, the Imperial Trust Co. was absorbed in 1934. Assets were further increased this year when the business of Security Loan and Savings Co., St. Catherines, was taken over. Total assets under administration as at Dec. 31, 1936, were $14 millions, comprising $11.5 millions in estates account, $1.8 millions in guaranteed trust account, and $754,358 in capital assets account. The company reported net revenue of $37,946 for 1936, there being total subscribed capital of $765,200, consisting of 5,585 fully-paid shares of $100 par, and 2,067 partly-paid shares. Outstanding capitalization has since increased to around $1.2 million as a result of the merger with Security Loan, which also added some $2.1 millions to the company's total assets. Security Loan had net profit of $42,967 in 1936, but it is not possible at this time to judge the probable earning power of the enlarged Premier Trust Co. with any degree of accuracy. Premier Trust paid dividends of $5 a share in 1936, while Security Loan paid $5.50 a share.

Coal From N. B.

Increase of 36,909 tons or $123,723 in the output of bituminous coal in New Brunswick during the first half of the current year is noted in a Census of Industry report. In the January the figures stood at 182,826 tons and $599,012.



VICE-PRESIDENT

Harry E. Stiles, who has been appointed vice-president and general manager of L. C. Smith & Corona Typewriters of Canada Ltd., Toronto. Since 1928 Mr. Stiles has been in charge of L. C. Smith & Corona operations in England.

Can. Foundries Earnings Rise

May Resume Dividends on Class "A" Shares Soon

From Our Own Correspondent

MONTREAL. — Substantially higher earnings will be reported by Canada Foundries & Forgings for the current year, and it is expected that net profit will be equivalent to between $3.50 and $4 a share on the class A stock. In 1936, earnings on the class A stock amounted to $1.04 a share. Up to the end of September sales were fully 55% ahead of the same period of 1936, and net profit, after all deductions except income tax, showed an even greater expansion. In October shipments were larger than in any other month this year.

Not only have earnings improved but there has been betterment in the company's working capital position.

Directors of the company met here recently and it is understood that early resumption of dividends on the class A stock was discussed. No definite action was taken, the matter being deferred until the final results for the year can be determined more accurately. However, if business prospects continue favorable it is probable that dividends will be resumed in the near future.

Public Utility Earnings

Mexican Light & Power

September—	1937 $	1936 $	Incr. $
Gross earns. ..	738,916	677,189	61,727
Oper. exps. ..	545,804	527,149	18,655
Net earns. ...	193,112	150,040	43,072
Aggregate gross, Jan. 1	6,624,074	5,848,715	775,359
Aggregate net, Jan. 1	1,766,743	1,611,056	155,687

Distillers Corp. Pays Dividend

To Buy Preferred With Cash from Dividend

From Our Own Correspondent

MONTREAL. — Distillers Corp.-Seagrams Ltd. has declared a dividend of 50 cents a share on its common stock for the quarter ended Oct. 31 last, which is at the rate of $2 a share per annum. The dividend is payable Dec. 21 to shareholders of record Dec. 6.

This is the first common dividend paid by Distillers Corp.-Seagrams since Nov. 15, 1931, when the rate was 25 cents quarterly.

Declaration of the 50 cents quarterly dividend is fully justified by earnings, and the position of the company. In the year ended July 31, 1937, profits available for the common were equivalent to $3.95 a share as compared with $2.41 a share in the previous year.

Bronfman's Take Preferred

Coincident with the declaration of the dividend, it was announced that the company had accepted an offer of the Bronfman family, which holds more than 55% of the company stock, to return the cash dividends which they will receive for the purchase of 5% preferred stock with purchase warrants attached. Dividends accruing to the Bronfman family will total approximately $480,000 and this, together with an additional cash sum, will be turned back to the company for the purchase of $500,000 of preferred stock from the treasury at a price of $100 a share plus accrued dividends.

In explanation of the offer it is stated that the Bronfman family "believed that it was sound policy to reward the public stockholders of the company, at the same time only withdrawing a minimum amount of the cash resources from a rapidly expanding business."

Pay More Than Market Value

Acceptance of the Bronfman offer means that outstanding preferred will be increased to $15.5 millions. Although the stock is currently quoted around $75 on the New York Stock Exchange, the Bronfman family is taking it up at par, which is $100.

Attached to each share of preferred is a purchase warrant entitling the holder to purchase one share of common stock at the following prices: on or before April 30, 1938, at $28; on or before Oct. 31, 1939, at $30; on or before Oct. 31, 1941, at $32.

Dominion Electric Power Reports Improvement

From Our Own Correspondent

MONTREAL.—Dominion Electric Power Co. gross revenue for the first eight months of the current year shows a moderate improvement over that reported for the same period in 1936. Net income available for interest and depreciation was 2.57 times requirements, as against 2.46 times last year. The net available for interest, after depreciation, was slightly less owing to an increase in the depreciation reserve.

The ratio between current assets and current liabilities at the end of August was about seven to one.

Province of New Brunswick

3% Debentures, due November 15, 1940
Price: 99.75 and interest, to yield 3.09%

4% Debentures, due November 15, 1947
(Callable on or after November 15, 1945)
Price: 99.75 and interest, to yield 4.03%

The above issues will be payable as to both principal and interest in lawful money of Canada or at the holder's option in lawful money of the United States of America.

These debentures will be exempt from taxation imposed in New Brunswick for all Provincial, Civic, Municipal and School Purposes, except Succession Duties.

DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

Penmans
Manufacturers of High-Grade
HOSIERY KNITTED UNDERWEAR AND OUTERWEAR
MILLS at: Paris, Brantford, London, Waterford, Ontario; Coaticook and St. Hyacinthe, Quebec.
PENMANS LIMITED
General Offices: PARIS, ONT.

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning directly or through subsidiary companies, mills at
Beaupre, Que. Sault Ste. Marie, Ont.
Sturgeon Falls, Ont. Iroquois Falls, Ont.
Espanola, Ont. Smooth Rock Falls, Ont.
Pine Falls, Man. Fort William, Ont.
Port Arthur, Ont.
Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

Montreal Stock Values Contract During October

MONTREAL. — Securities listed and traded on the Montreal Stock Exchange and Montreal Curb Market had a total value of $7,207 millions at the end of October, a decrease of $474 millions from the previous month when values totalled $7,682 millions. Compared with the end of October a year ago, the total value showed a decrease of $1,005 million. All classifications registered losses from the previous month.

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A Safe REMUNERATIVE INVESTMENT
Canada Permanent Debentures are a favorite security of many thousands of experienced investors. Issued for $100. and upwards, bearing the following attractive rates:
for 1 or 2 years - 3 %
for 3 or 4 years - 3¼%
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CANADA PERMANENT Mortgage Corporation
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ASSETS EXCEED $68,000,000

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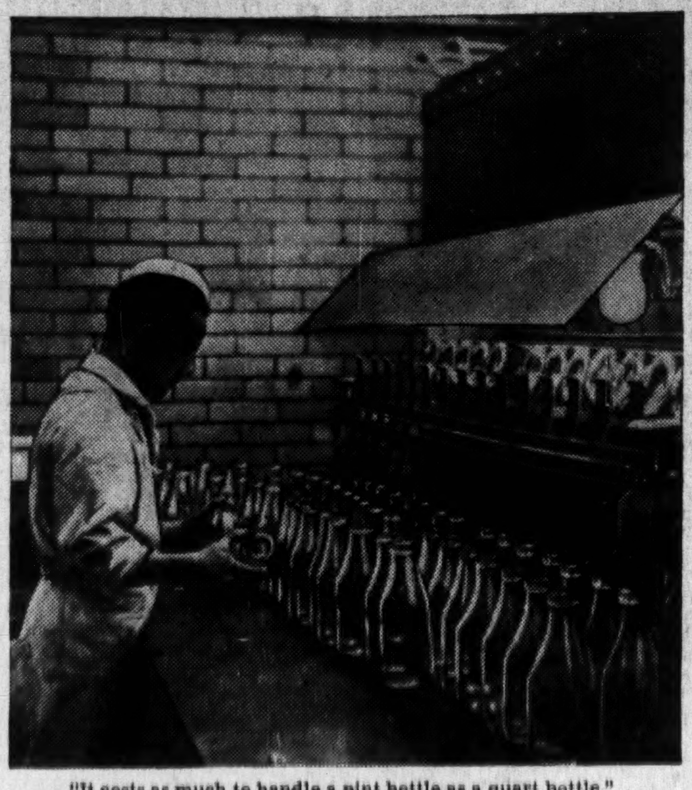
Established 1870
DEPOSITS ACCEPTED DEBENTURES ISSUED
Mortgage loans on owners' homes at low rates of interest
Capital (Fully Paid), $2,000,000 Reserve Fund, $2,400,000

This Milk Battle—Who Gets the Cream?

Consumer Balking at Price — Dairies, Farmers Fail to Show Regular Profits

By **GORDON L. SMITH**
Staff Writer, The Financial Post



"It costs as much to handle a pint bottle as a quart bottle."

Courtesy City Dairy Co.

The production of fluid milk today is largely a specialty business with the cow simply a highly developed machine.

Again the price of milk is in the headlines.

There is an uproar over a cent-a-quart increase in the Toronto area. Similar excitement for the same reason is expected in Winnipeg. The general situation is far from satisfactory at Vancouver, while all through the country big dairies are reporting scant profits if not actual losses again this year.

Toronto housewives are threatening boycott, are charging distributors with exorbitant profits, waste and inefficiency. They are urging municipal control.

Producers, on the other hand, still insist that they are not getting the cost of production.

Is milk distribution to become the next public monopoly? Such a step is possible although there is no indication that it would solve the present problems.

The milk controversy is a long complicated story, and one in which strangely enough all the principals—producers, distributors and consumers—are largely right in their conflicting charges.

Until a few years ago the big dairy companies were making satisfactory profits. But this is not so at present although collectively they are handling a great deal more milk, have more customers and are getting relatively good prices.

Farm Costs

Journeying into the country one finds the milk farmers claim of pyramiding costs largely justified. In 1929 when producers were getting $2.80 gross per hundred pounds for milk, feed oats were worth about 68 cents a bushel. In 1932 milk had fallen to $1.45, or about 50% and oats had dropped in about the same proportion to around 32 cents. Now oats, representative of all feed costs have risen 50% from the depression low to around 48 cents while the current price for milk, $2.32, has come up almost exactly in the same proportion. Hence producers would seem to have ample justification for the higher prices which went into effect this fall and particularly so when it is realized that only 75% of the whole milk shipped into any large city commands the top price. The remainder, classed as surplus, goes into butter, cheese, ice cream or condensed milk and is paid for at a considerably lower rate.

Here we come to the real crux of the problem. There are at least four major outlets for milk:

1. Fluid milk for human consumption;
2. Condenseries and powder milk plants;
3. Cheese, and
4. Butter.

The first two of these are controlled usually by provincial milk boards in co-operation with producers to interested and urban milk distributing companies. Prices are fixed by the milk boards and only milk from authorized producers is accepted.

The other two markets, cheese and butter, are wide open with export markets almost invariably dictating local prices. At present there is a wide spread in the returns received by the two groups and so long as this condition continues there will be a fertile ground for trouble. Though costs of production are higher in the fluid milk field, butter producers getting about 50% less will want to come over the wall erected by the control boards and city consumers will probably continue to kick at the high cost of milk, blaming this on the nearest party to them, which happens to be the distributor.

The various proportions used of Canada's total milk production, and the present prices paid by these four milk outlets are as follows:

Milk Prices
(Basis per cwt. at farm)

Market	Total milk flow %	Delivery charge from farm cts.	Net to farmer $
Fluid milk ...	28	32	2.00*
Butter	49	none	1.05
Cheese	7.8	none	1.05
Condensed milk	1.8	none	1.37
Farm use	12	....	...
Sundry	1.4	....	...

*Toronto area.

Shipping Costs

Like most figures the above are approximate and used simply to give a rough comparison of receipts for milk for various purposes at the farm. Delivery charges, for instance, will vary. Producers living close to a city will naturally pay truckers less than those at the extreme limit of the milk-shed which in Toronto's case stretches a hundred miles both east and west of the city but not nearly as far north.

Some allowance too should be made for delivery by the farmers themselves to cheese factories or creameries, but in neither case is there likely to be any direct cash outlay. Generally speaking milk is shipped to the large cities via commercial truckers, to creameries making butter via the creamery owners' own truck at no deduction from the regular butter fat prices. The same applies to most condenseries but delivery of milk to cheese factories and whey from the factories back to the farm is usually done by the producer himself.

Again in the above table there is no allowance made for returned by-products. When selling cream to a butter factory or creamery the farmer, of course, separates the milk on the farm and retains the skim milk for feeding to hogs. From the cheese factory, too, is returned a somewhat similar product known as whey. These two by-products are worth anywhere from 5 to 20 cents per hundred depending upon what use can be made of them. In shipping fluid milk to the city for human consumption or to a condensery there is no by-product returned to the farm.

Wide Price Variation

But after making the fullest possible allowance for the value of any by-product there is still a wide difference in the price received for fluid milk to Toronto and similar cities and that paid by local cheese factory or creamery. Fluid milk shippers, of course, will argue that their costs are much higher. In the Toronto area it is claimed that milk for human consumption cannot be produced for much less than $2 per hundredweight under present conditions. Reasons cited are:

1. Higher taxes and land values because of proximity to big cities.
2. Higher labor costs for same reason.
3. More rigid herd and stable inspection imposed by municipal health authorities which increases costs of buildings and milch cows.
4. Higher general costs because fluid milk shippers must produce uniform supply summer and winter whereas other outlets take everything as and when produced.

Probably a careful survey would reveal very large justification for such claims but the fact remains that there are many farmers now selling milk or the equivalent in cream at relatively low prices to cheese and butter factories who would be glad of the opportunity of switching to the fluid milk market in the larger cities. Moreover there are always plenty of small dairies and perhaps some of the larger ones which would be glad to purchase this milk but not at the full controlled prices and peddle at cut prices to city consumers.

This double temptation makes it difficult for control boards to segregate the total supply into various channels at various prices. Even those favored farmers who have regularly established quotas in the lucrative fluid milk markets are not always satisfied. Of a dozen cans shipped daily only eight or nine may be paid for at the top price. The shippers are told that the balance has been classed as surplus and has been disposed of at cream, butter or ice cream base prices. In the case of Ontario, Milk Board auditors have access to all dairy company figures and confirm the proportion diverted to such lower priced outlets. But in spite of this careful audit some shippers, not fully informed of control procedure, may be far from satisfied.

Control and Sentiment

The weakness in the whole situation, however, is in the mixture of control and sentiment. The milk business generally is not a straight business proposition and neither is it by any means a privately operated industry. In Ontario and to a growing extent in the other provinces a provincial milk board sets the price which city dairies pay the producers. This board also attempts and with considerable success to regulate condensery milk prices and charges levied by commercial truckers carrying milk.

The Board hears applications for increases or decreases, investigates conditions and then makes a decision. It has very wide powers and can cancel the license of any distributor without giving any reasons. If a dairy decides to cut prices its license is almost certain to be cancelled.

In addition the various municipalities are also interested in the milk business. They insist that milk be of a certain minimum standard, usually 3.4% butter. If a shipper persists in shipping lower milk he will soon find himself without a market. To produce milk of the standard required means a large proportion of high cost cows in the herd as well as constant testing and checking. Municipalities are also interested in the purity of their milk supply. To come within the rigid rules stables must have a tight dustproof ceiling, be well lighted, have modern floors. Milkers and cows must submit to health tests. Inspectors are continually making the rounds of herds and stables.

Regulating Supply

If a farmer desires to get into the business of supplying a large Canadian city with fluid milk and keep in that business, he must not only meet the quality and purity regulations mentioned, but guarantee also a uniform supply. Without doubt this is the most expensive requirement. Farming is not like urban industry where a uniform output is merely a matter of routine.

Under natural conditions crops and milk flow would vary with the weather, with the peak of production reached in the summer, the minimum in winter. But dairies are not interested in adapting their business to such a wide variation. Dealing in a product that can only be kept fresh a matter of hours, they must have a uniform supply. Moreover, as a matter of actual fact their sales are greater in the winter than the summer months. So the farmer must guarantee to supply a certain quantity of milk daily. More than a 15% variation will get him into trouble and is liable to cost him his quota.

To maintain uniform supply the farmer must have his cows in full milking during the winter months. Because nature never intended such a thing that objective requires extra well bred cows, extra feed and extra skill. Indeed the production of fluid milk today is largely a specialty business, with the cow simply a highly developed machine which turns feed into milk. Feed either grown on the farm or purchased is fed the year round.

Pasture is comparatively unimportant on the big dairy farm and as a result costs are about as high in summer as winter because the herd has to be stabled, groomed and fed enormous quantities of purchased feed every day in the year. City people, however, with their farm knowledge obtained probably from some poetry about cows "knee deep in clover" think otherwise. As a sop to such sentiment milk boards in the past have usually dropped prices a cent or so in the summer months.

Sentiment again appears in the price of pints. "The poor man," shouts the municipal politician seeking re-election, "cannot afford to buy milk by the quart." And so pint prices were not raised in Toronto recently although it costs exactly as much to handle the small sized bottle as the larger, the only actual difference being what was paid the producer for the additional milk.

Incidentally there appears to be a great deal of misconception regarding these handling costs. The Ontario Milk Board made a break down the other day and here is the result:

Analysis of Cost Spread Per Quart of Milk Sold

	Value per quart $
Sales—Net $7,267,027.48	0.1109
Cost of milk—Paid to farmers including hauling	.0595
Processing Cost:	
Wages	.00445
Bottles and caps	.00185
Fuel	.00055
Light, power and water	.00062
Taxes and insurance	.00064
Repairs and maintenance	.00079
Rent and depreciation	.00144
Sundry plant expense	.00056
Total processing cost	.0109
Selling and Delivery Costs:	
Drivers' wages and commissions	.02489
Credit and collection expense including bad debts	.00087
Wagon and stable upkeep	.00057
Truck and garage upkeep	.00073
Stable and garage wages	.00035
Feed and straw	.00114
Depreciation	.00119
Insurance, etc.	.00049
Advertising	.00090
Salesmen's wages	.00014
Sundry delivery expense including drivers' uniforms and allowances	.00182
Total delivery and selling costs ...	.0332
Administrative and General Expense:	
Exec. & management salaries .	.00106
Office salaries	.00100
Legal and audit	.00011
Other office & accounting exp.	.00223
Interest, etc.	.00180
Total administrative & general ..	.0062
Total spread cost	0.1098
Income available for distribution and other overhead chgs.	*0.0011
Wage content of above costs	25.56%
Paid to farmers & hauling	53.19%

*Per qt. sold.

Butter and Cheese

So much for fluid milk. Let us look at the other and larger outlets for the 16.75 billion pounds of milk produced in Canada each year.

Butter accounts for the largest proportion, or almost 50%. Over this market the provincial milk boards have no control. That job they have passed along to Ottawa. Through a seven cent tariff, dump duties and embargoes an attempt has been made to get the dairymen who looks to the local creamery for his revenue, the best possible return. But the first table in this article shows that results, relatively speaking, have been disappointing. This type of dairymen only gets about half the gross return of the fluid milk producer.

The reason, of course, is fairly obvious.

Last year Canadian creamery men turned out 248 million pounds of butter. To this sizeable volume was added another 66 million pounds made on the farm by farmers' wives, or a grand total of 314 millions. That is just a little more than 11 million Canadians could consume comfortably and as a result some of this production had to be exported. A considerable quantity went back home with American tourists at very satisfactory prices, but there was some that had to be exported in the regular way at world levels. The inevitable result was that Canadian prices could not be held far above world levels.

This season, with a drought in Saskatchewan, there was hope that domestic production could be kept within consumption and behind the tariff wall. There was even some hope that there would have to be a little importing from New Zealand. Such a step would make for better relations with the sister Dominions anxious to even up an export trade that is already three to one in Canada's favor. But despite drought Saskatchewan farmers kept their cows and maintained their butter production.

Cheese, for which the farmer receives a milk return of a little over a dollar per hundredweight, is even more exposed than butter. Of the 118 million pounds produced last year less than half was consumed within the Dominion. Hence tariff help is out of the question.

That small portion, less than 2% of the total milk flow, which goes to manufacturing plants for condensed milk or powder, does not constitute any serious problem. This industry is handled by a relatively small number of plants compared with the thousands of individually owned butter and cheese factories, so voluntary control of buying prices is not difficult. Moreover, there is a growing export trade to Great Britain at relatively high prices.

Two Alternatives

Two alternatives face those who would attempt to restore complete stability in the business of producing Canadian milk:

1. All control can be abandoned and milk distributors permitted to buy milk where they will and at their own prices; or

2. Control can be extended to butter and cheese with the objective of keeping production either within domestic consuming limits, or of bonusing dairymen in this class out of the higher returns from fluid milk.

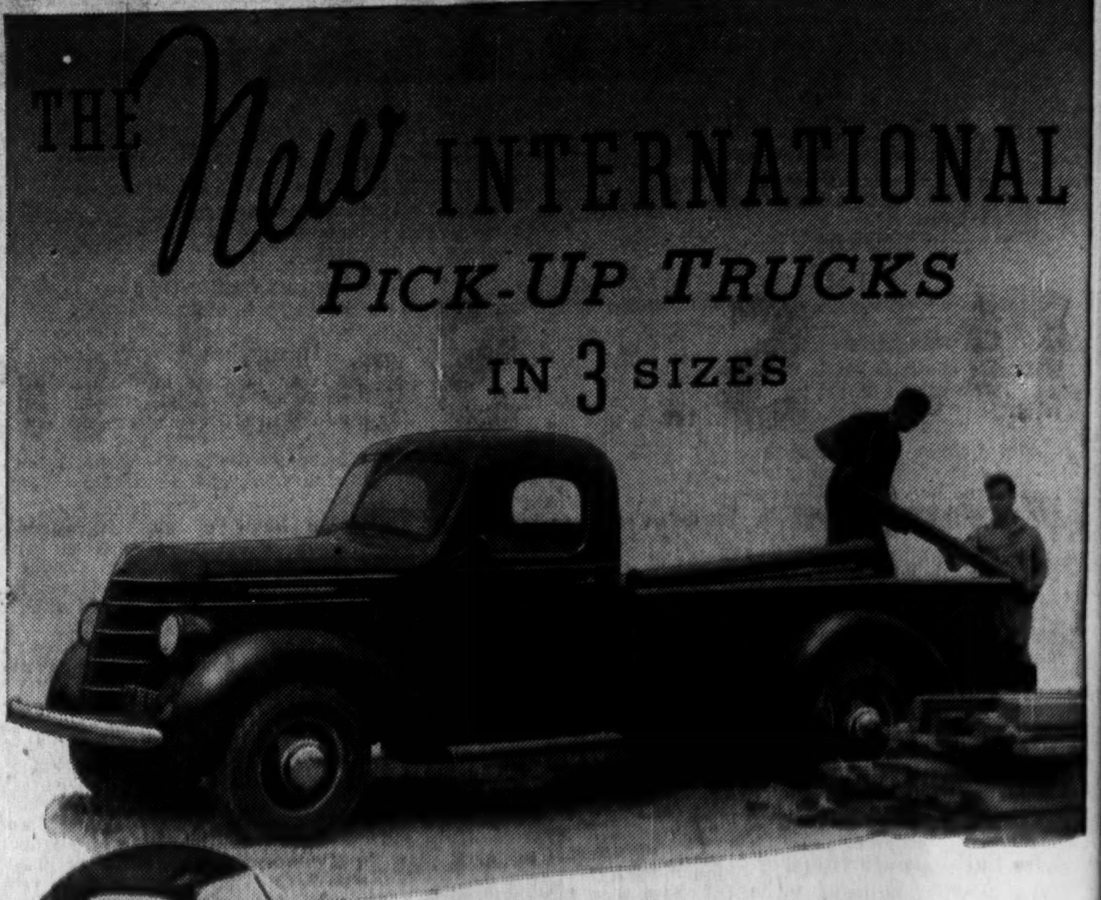
Because milk can be easily contaminated and is therefore a major factor in the promotion of the nation's health it is extremely doubtful whether we will see fluid milk control lessened. Producers and most distributors would be opposed and when the dangers are pointed out to the consumers it is doubtful whether even those housewives now talking boycott would care to take a chance. More likely these housewives will concentrate efforts in the other direction, that is, widen the control until city distribution is in the hands of the municipalities.

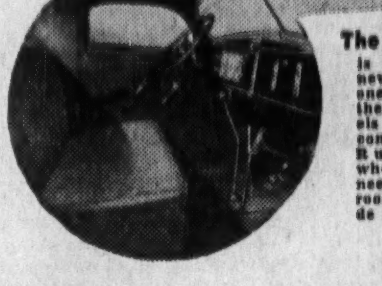
But this would only eliminate the distributing companies; production would still rest with the individual farmers. Instead of blaming the distributors as at present it would be a straight fight between producer and consumer. The buffer would be eliminated. There is little reason for believing that farmers and city authorities could agree any more amiably on prices than the same parties plus the distributors and provincial milk board can agree now. There is, too, not a great deal of distribution cost to be saved if the analysis as presented by the Ontario Milk Board is correct.

As for the second alternative, control of butter and cheese, this would require a super-dictator with authority over both man and weather. Voluntary control of farm production and bonusing of cheese producers have been tried and have failed.

It looks, therefore, as if tranquility in the Canadian milk business is not going to be a thing easily obtained and that with the present mixture of control, private business and sentiment periodical flare-ups will have to be considered a matter of routine.

In the meantime the situation is being gradually relieved by better world prices and larger export markets for Canadian dairy products. This development is narrowing the margin between fluid milk returns and those from other dairy products. Moreover better farm prices generally are also helping as there are thousands of farmers sitting down on a milk stool twice daily, seven days a week, who will gladly discard this hard though safe living for the free life of raising wheat or beef cattle. The depression forced them into dairying and returning prosperity may see them out of it.





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● In the new International Truck line special attention has been given the popular pick-up type of truck—from the standpoint of appearance as well as all-around utility. The men who design and build and test them took all the time that this kind of a job requires and put into these new Internationals all the experience that Harvester has gathered in more than thirty years of truck manufacture.

International Pick-Up bodies are available in 76, 88, and 102-inch (inside body) lengths for use on Half-Ton to One-Ton International chassis in 113, 125, and 130-inch wheelbases. These durable all-steel bodies meet every need in pick-up truck work, offering practical and attractive design.

It is that way throughout the entire International Truck line. No matter what the load, there is always an International built to fit the job exactly. There are 26 models to choose from, and capacities ranging from Half-Ton to heavy-duty Six-Wheelers. Write for a catalog, or call on the nearest International Truck dealer or Company-owned branch and see the new trucks on display.

INTERNATIONAL HARVESTER COMPANY
HAMILTON OF CANADA, *Ltd.* ONTARIO
TRUCK FACTORY LOCATED AT CHATHAM, ONTARIO

INTERNATIONAL TRUCKS

Newfoundland Notes

Fish for Italy

Difficulties in connection with the shipment of Newfoundland salt fish to Italy have been largely offset by action of the Commission of Government to facilitate payment for consignments to that country. Exporters were hesitant to ship to Italy because of the difficulties and delays in getting payments through the Anglo-Italian exchange clearance office, and were afraid at the same time that failure to ship would result in reduction or loss of the quota allowed by Italy for entry of Newfoundland fish. The Newfoundland Government has undertaken to ensure payment for Italian shipments within 90 days, up to 80% of invoice value, and at the urgent request of shippers has cut its original premium charge of 3% down to 2%.

* * *

New Industries Sought

New impetus for the movement to expand the scope of industrial activity in Newfoundland, particularly smaller industries located close to communities needed sources of employment, has been given by formation of a committee of the Newfoundland Board of Trade to study the question in collaboration with Government authorities. An effort will be made to survey industrial potentialities and sites in Newfoundland, and to interest British and American industrialists in operating in Newfoundland.

* * *

Exclusive Concessions

Close on the heels of the Government concession giving Frederick Lawrence, of New York, exclusive grazing rights for reindeer over an area of Labrador which may eventually amount to three million acres, the Commission of Government has awarded the Santa Cruz Oil Corporation, of California, exclusive rights to manufacture herring oil and herring meal along sections of the Labrador and South Newfoundland coasts. It is hoped that the latter arrangement will provide a market for 25,000 quintals of the herring catch, but the potential benefits of the reindeer concession have not yet been clarified.

Mr. Lawrence is to get rights on one million acres if he imports and settles 1,000 reindeer by the end of 1939 and has 5,000 reindeer there within five years; another one million acres if he or his company has 15,000 reindeer within 15 years; and a third one million acres if 30,000 reindeer are established within 45 years. The rights are to persist for 99 years. Authority has been granted to introduce Laplanders into the area to act as herdsmen for the reindeer, but so far no provision has been made to colonize Newfoundlanders in the region. Royalties of 50-75 cents a head are to be paid on reindeer herded or exported after the end of 15 years.

* * *

Fish Subsidy Rejected

Decisive refusal to consider either a subsidy on all codfish caught and salted or a bonus to encourage larger catches, as proposed in the report of the Fisheries Enquiry Commission, has been announced by the Commission of Government. A recent communique issued by the Government declared that experience showed that such a subsidy was more likely to benefit the foreign consumer more than the fishermen it was intended to help. The bonus plan was seen as giving help to those who needed it least, i.e., those in a position to get large catches. Also rejected is a proposal for a separate Department of Fisheries.

On other matters dealt with by the Enquiry Commission, the Government has already acted, by reducing import duties on oil and gasoline, and arranging for a rebate on salt purchases during the current season. Decision has been received on recommendations relating to bait supplies, Government grading of catch, centralization of export centres, marketing, state insurance, state loans to aid fishermen in liquidating debts.

* * *

Agriculture Promoted

Reflecting the effort to foster a greater degree of agricultural activity in Newfoundland, the first annual Newfoundland Agricultural Exhibition was recently held at St. John's.

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THE FINANCIAL POST

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U. S. Seeking a Real Prosperity

Washington Changes Front, Prepares to Ease Restrictions on Individual Enterprise—Some U. S. Economists Hope For Upturn in Six to Ten Months

By FLOYD S. CHALMERS

Editor, The Financial Post

WASHINGTON.—The New Deal—until now the arch enemy of business profit and industrial success—has decided to give private business a chance to produce a major recovery.

That is the significance of recent developments in Washington; such as conferences with business leaders, reminiscent of the "sunshine" conferences of Mr. Hoover in 1929; assurances of budget balancing; conciliatory statements by the president.

United States business thinks it senses a new humility at Washington. As a result the clouds of gloom and pessimism that have enwrapped Wall Street and the nation's business have begun to lift. But complete confidence has not been restored. That will depend upon whether or not the president's "fine words" are followed up by positive action to restore private initiative and encourage private capital investment.

There are fewer gloomsters than there were: fewer people who believe that the recession will "feed on itself" until it grows to the proportions of a major industrial panic.

Business today is grasping the right hand of the president, extended in greeting, invitation and fellowship and at the same time keeps an alert eye upon his left hand to see if it holds a gun. For the big question in Washington is whether or not the Left Wing of the New Deal can be trusted to back up the Right Wing of the New Deal in promoting a "private prosperity." The reason the president's message to Congress proved so ineffective this week in stimulating business confidence was that most observers found it a curious mixture of new orthodoxy and old radicalism. It faced both ways.

Pump Priming Ended

The "pump-priming prosperity" has ended. So now, after sustaining recovery for several years by free, generous government borrowing and spending, the United States is about to attempt a genuine "private prosperity" built on the foundations of confidence, enterprise and goodwill between government and business. The attempt may fail but there is no reason why it should fail so long as reform and recovery can be separated in New Deal minds.

Rich, plentiful are the materials for the making of a boom. They exist in the form of tremendous unfilled needs for houses, utility plants, railway rolling stock, modernized industrial equipment, etc. If genuine confidence in the business outlook could be restored, the $8.6 billions of new investment capital raised in 1929 would look small beside the new capital that would be spent to "modernize America." The artificially created purchasing power that has disappeared in the process of budget balancing would be replaced and increased by the natural purchasing power derived from venturesome enterprise. It has not been replaced yet. New capital issues were only $1.2 billions in 1936 against a Federal deficit of $4 billions.

What is needed now is a reversal of these figures. That is what Washington banked on when it decided to balance the budget. It didn't get it but it hopes that it may get it now.

Big "If" in Situation

There is still a big "if" in the situation. All that is planned and hoped for is contingent upon the New Dealers being united and sincere about their new programme of giving business a break. At the moment New Deal capitulation to hard economic facts has gone a long way. The New Dealers have been badly scared, no one more than the president, despite his facility for brushing lightly over major problems, that won him the nickname of "the Featherduster" when he was assistant secretary of the Navy.

Big business leaders in this country do not find it easy to put faith in White House promises and assurances, although scores of businessmen all over the country, listening to Sunday night's "Fireside Chat," must have fallen off their chairs when the president made an unprecedented reference to "our far-sighted industrial leaders."

The New Deal has shown itself as opposed to the profit motive, to individualism, to capital accumulation except under the rigid control of the state.

Business thinks that a competitive capitalism, fired by the profit motive, must be restored and restored quickly. It thinks that individualism must be given a chance to operate again as a factor in affairs. It feels that capital should not only be accumulated but be put to work to create jobs.

Frightened New Dealers, wondering if a major depression does not hang over their heads, are saying to business and financial leaders to go ahead with their long-suspended plans; that there will be no interference from Washington; that reasonable profits will be allowed; that stifling regulation will be eased.

At the same time they are saying, in effect: "This is capitalism's last chance in America. If recovery does not come now, we'll design a new society to bring it about."

Business and financial leaders, having been stigmatized as public enemies, their offers of co-operation having been spurned, their successes having been punished, are naturally a little distrustful of the New Deal humility. But they are inclined to test it out at least. If they find the White House sincere, then confidence will spread in the country and a major recovery may quickly get under way.

* * *

Background of the Slump

To understand the present business situation in the United States it is necessary to review again the conditions that produced the present slump in business.

One basic cause of the slump was the tapering off of government deficit spending (soldier's bonus, public works, etc.). Budget balancing reduced the country's purchasing power by 10%. With taxation now taking out of the economic stream as much purchasing power as government spending is putting into it, the benefit of that proportion of purchasing power that was being borrowed from the future has been lost.

It took some time for this situation to dawn upon American business leaders. Most people had held the view that all that was needed to restore confidence and promote prosperity was to balance the budget. Perhaps the White House thought that. But when the country approached a balanced budget it found that the confidence that might have been created by that achievement had been effectively sterilized by New Deal excesses such as persecution of utilities, hog-tying of the capital market, sudden death taxes, etc.

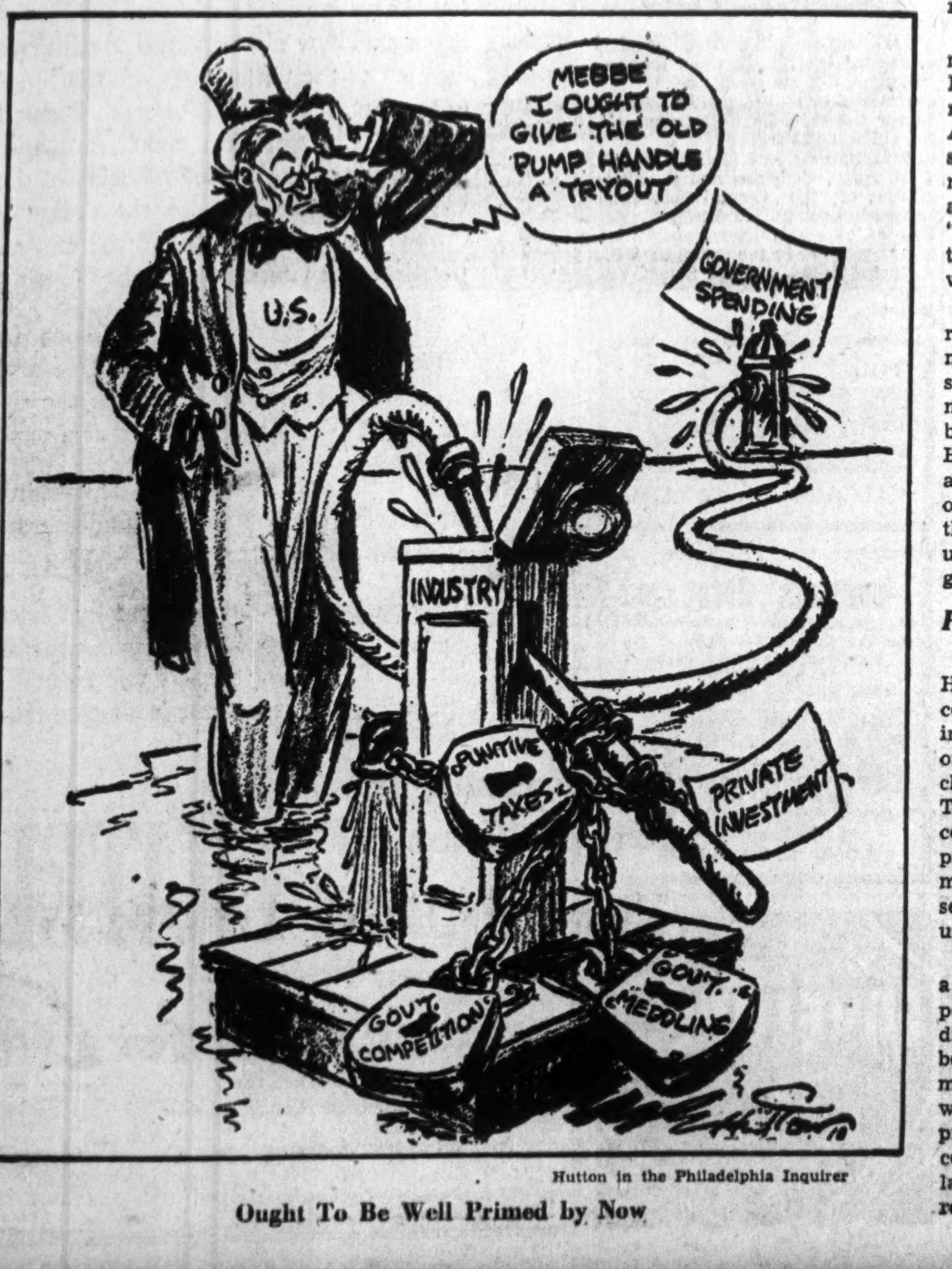
Thus while the Government was priming the pump it was driving plugs into the pipe that might have tapped the reservoir of private capital.

In addition a second factor was operating to produce a slump. Wage costs have advanced aggressively and have increased costs of production more rapidly than these costs could be passed on. In fact there are those who regard this as the primary cause of the depression, including Harold G. Moulton, head of the Brookings Institution, who says:

> "The primary causes of the current business recession may be traced to aggressive labor movements early in 1937 which brought shorter hours and higher pay which were wholly unrelated to efficiency."

Weight of Labor Increases

Industry is now beginning to feel the weight of the rather lavish wage increases and work-week reductions that have been taking place as a result of the increasing assertiveness of labor. Labor has gotten the highest wages in history but the gains are hollow where plants are closing down through inability to pass the increases on to consumers. Hours may be shorter, wage rates may be higher, but also jobs are scarcer.



Hutton in the Philadelphia Inquirer

Ought To Be Well Primed by Now

Consumers, too—particularly those on the farms—are beginning to feel the weight of the increased wage-hour costs that have been incorporated in all finished products.

Taxes, too, have been going up and are now beginning to show up in the prices of consumers' goods.

The public is today on a buying strike.

These increased costs have led to unemployment in industry. Under a certain wage scale and a certain tax level the "break-even" point in a certain plant may be, say, 45%. Under present wage and tax levels it is likely to be 65%.

Formerly the plant would not have closed down until its orders got down to 45% of capacity. Now the plant begins to lose money when it is operating at only 65% of capacity.

Thus a much smaller decline in business than formerly now leads to quick and drastic action to cut costs. Plants have been shut down all over the country. Production is being sharply curtailed. Steel, for example, which had a huge back-log of unfilled orders a few weeks ago is down to below 40% of capacity. It is likely that the number of unemployed will be at least a million higher this winter than last winter.

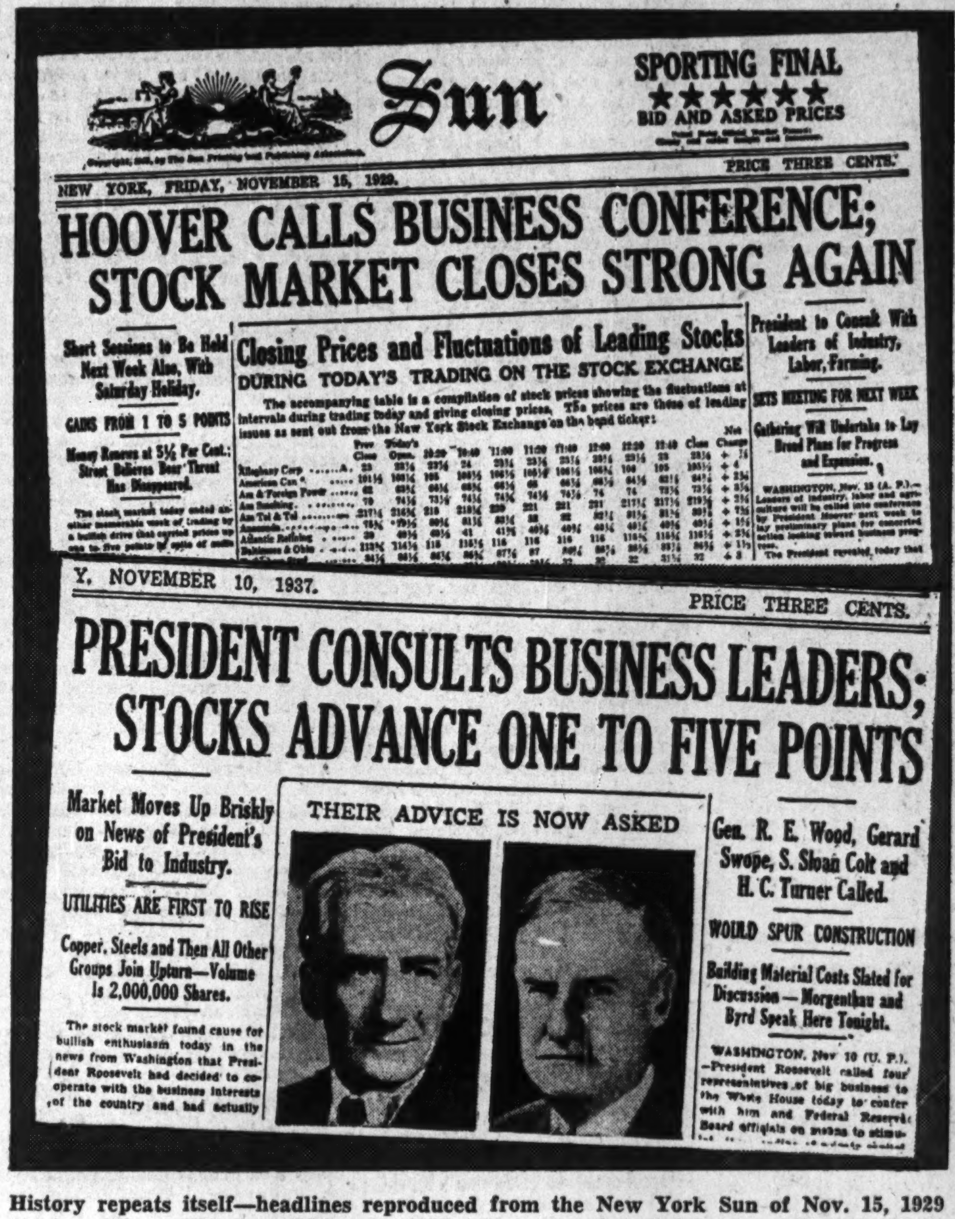
We shall soon begin to see the result of sharp curtailment of production schedules in the industrial indices. Figures are going to look very bad.

High wage and tax costs, that found a natural resistance in reduced buying by consumers, have also influenced new capital investments unfavorably. They have forced the abandonment of many plans that would have involved the investment of new money and the employment of many workers. The plans were abandoned when it began to dawn upon business people that there was no chance of earning a return upon the investment required.

Other Unfavorable Factors

There have been, of course, other reasons than wage and tax increases to explain why private capital has been slow in filling up the void left by the virtual cessation of government spending.

There has been a highly developed lack of confidence in the White House, and in the president's New Deal advisers, who never agreed as to whether they were trying to promote a recovery or reform an economic system. The sword of a reforming Damocles has been hung over the head of the public utilities. There has been a lack of certainty as to the future of the railroads. There have been taxes of a new and frightening type, designed more to achieve social reform than to bring in revenue. The old theory that the best tax is the one that produces the most feathers with the least amount of squawking has given way to the idea that the best tax is the one that lends itself to social and economic planning by the state.



The Sun | SPORTING FINAL ★★★★★★ BID AND ASKED PRICES

NEW YORK, FRIDAY, NOVEMBER 15, 1929. | PRICE THREE CENTS.

HOOVER CALLS BUSINESS CONFERENCE; STOCK MARKET CLOSES STRONG AGAIN

Short Sessions to Be Held Next Week Also, With Saturday Holiday.

GAINS FROM 1 TO 5 POINTS

Money Renews at 5½ Per Cent.; Street Believes Bear Threat Has Disappeared.

Closing Prices and Fluctuations of Leading Stocks DURING TODAY'S TRADING ON THE STOCK EXCHANGE

The accompanying table is a compilation of stock prices showing the fluctuations at intervals during trading today and giving closing prices. The prices are those of leading issues as sent out from the New York Stock Exchange on the bond ticker:

President to Consult With Leaders of Industry, Labor, Farming.

SETS MEETING FOR NEXT WEEK

Gathering Will Undertake to Lay Broad Plans for Progress and Expansion.

Y. NOVEMBER 10, 1937. | PRICE THREE CENTS.

PRESIDENT CONSULTS BUSINESS LEADERS; STOCKS ADVANCE ONE TO FIVE POINTS

Market Moves Up Briskly on News of President's Bid to Industry.

UTILITIES ARE FIRST TO RISE

Copper, Steels and Then All Other Groups Join Upturn—Volume Is 2,000,000 Shares.

The stock market found cause for bullish enthusiasm today in the news from Washington that President Roosevelt had decided to co-operate with the business interests of the country and had actually

THEIR ADVICE IS NOW ASKED

Gen. R. E. Wood, Gerard Swope, S. Sloan Colt and H. C. Turner Called.

WOULD SPUR CONSTRUCTION

Building Material Costs Slated for Discussion—Morgenthau and Byrd Speak Here Tonight.

WASHINGTON, Nov 10 (U. P.). —President Roosevelt called four representatives of big business to the White House today to confer with him and Federal Reserve Board officials on means to stimu-

History repeats itself—headlines reproduced from the New York Sun of Nov. 15, 1929 (top) and from The Sun of Nov. 10, 1937. They tell virtually the same story—the two presidents—Hoover and Roosevelt—calling business leaders of the country to a conference to stimulate industry and trade.

A further major factor that has operated to prevent the reopening of the capital markets is the regulations of the Securities and Exchange Commission, which have done much to protect the small investors but have also imposed many unnecessary barriers to the raising of private capital.

The slump has been intensified by the fact that the previous rise in business indices and price levels was speeded up by a great deal of speculative buying and a rush to build up inventories of finished goods. General fear of inflation, general fear of interruptions to production due to strikes, general fear of rising costs led to the accumulation of large stocks of raw materials and finished goods.

Vaguely Felt By Market

It is curious that so few people in the United States saw the business recession coming or recognized it quickly when it did come.

The stock market vaguely felt this business recession developing and sold down last March. But stocks revived again, for the stock market did not see the picture clearly until August when stock prices began to decline sharply after some months of indecisive movement. There was a good deal of discussion about Wall Street having another case of the "jitters." However, it was not a case of jitters that Wall Street had but a keen perception of what was happening to business.

Of course, stock prices tumbled, in a panicky rush to get liquid, much more rapidly and much farther than was justified by any recession that could logically be expected. The mercurial American temperament may be blamed for the market's excessive bearishness. But other factors, too, chiefly SEC regulations, and federal taxation techniques barred out of the market a good deal of "support" buying that in former times could always be counted upon to step in and buy stocks when they began to get onto the bargain counter.

Psychological Brakes

The Federal Reserve Board and the White House may have had some presentiment that costs and wages were getting out of line when, in March and April, official Washington set out to "talk down" prices and to apply psychological brakes upon growing optimism. There was a good deal of talk about "boom control." This was the time when a cut in the price of gold was seriously considered as a means of stemming the inflationary rise of security commodity prices that had been under way for so long.

But, as it turned out, Washington found that a cut in the price of gold was not practical politics and contained the germs of economic disease worse than the speculation that had been prevalent. And it also turned out that monetary measures to restrain rising prices were not necessary. The downward turn in prices had already started and the natural correctives needed for unwarranted speculation and excessive wage increases were already coming into play.

And Washington was wrong also about the need for boom control. Actually there was no real boom under way except that generated by public spending and that boom had about run its course.

Where Business Stands Today

Today the situation is that business is at dead centre. There is conflict of opinion as to whether the next turn is to be toward further disintegration or toward renewed and perhaps sounder recovery. To be more exact, there are three chief points of view as regards the likely trend of business over coming months:

1. There is the view that the recession will "feed on itself"; that pessimism will increase as unfavorable production, sales and profit figures, are revealed; that the country faces a major industrial panic.

2. There is the allied view that while such a situation is faced, the down-swing can be arrested by a renewal of governmental pump priming; by a deliberate unbalancing of the budget and the pouring into the stream of purchasing power of renewed sums of money created by government borrowing.

There is, however, only a limited degree of support for such a policy. Wise observers realize that another monetary "shot in the arm" or a revival of federal spending can merely postpone an ultimate collapse and make it worse when it does come. So the administration and the leaders of the business alike are in agreement that the White House should adhere to its determination to balance the budget and keep it in balance.

Factors in Budget

As a matter of fact, White House hopes for and promises of a balanced budget, while sincere, are nevertheless based upon flimsy support. There are two factors that may lead to an unbalancing of the federal budget.

One is the necessity for a tremendous increase in the scale of United States expenditures for national defense.

The second factor that threatens a renewed unbalancing of the budget is the propaganda for a huge programme of farm subsidies.

If there has been no major turn in the business tide, if deliberate pump priming is not to be resumed, what then is the likely trend of events? This brings us to the third point of view.

3. A consensus of the best informed reveals the expectation of a renewal of recovery with private capital being encouraged to carry the major load and the New Deal putting the soft-pedal on "reform" and "planning."

It should be noted that while financial and business leaders are hastening to welcome the new and more conciliatory attitude of the New Deal toward private capital and private initiative there is scarcely a business leader in the United States who has not some reservations in his mind as to how far the New Deal is to be trusted. It is realistically remarked that when the devil is ill the devil a monk would be, but that when the devil is well ....

But whatever the reservations that are held regarding Washington's change of front, it is, in near-term plans at least, being taken at its face value.

* * *

Measures to Promote Recovery

The possible points of attack upon the business decline are numerous and all are being explored in present conversations.

Taxation is one. The president has definitely committed himself to a revision of the undistributed profits tax and the capital gains tax, which have been particularly annoying to business.

Housing is another. The new housing programme that is being worked out is based very largely upon the Canadian model of putting governmental support behind long-term loans at low rates of interest made by private investing corporations.

Third is the utility industry. White House conferences have conveyed to the heads of the public utility industry the assurance that they can with safety go ahead with the enormous programmes of extension that they have had to shelve as a result of persecution from the New Deal. It is freely estimated that as much as $3 billions of new purchasing power can be released by the utility industry alone if confidence in the investment of money in this field can be restored.

Other points of attack, such as reform of the more oppressive phases of the SEC legislation and a programme of rehabilitation for and new capital investment in the railroads are not being overlooked, but it is difficult at this point to forecast what may be the result of conversations that are taking place. However, if the railroads get the rate increase they are now wishing they will be ready to spend a great deal of new capital.

On one point I was given positive assurances in high circles; that there will be no measures of reflation other than those that may develop incidentally. "This is not a monetary depression," one of the monetary experts in the New Deal told me. "Money is neither dear nor scarce. If monetary tools are used, their use will be purely incidental." He told me, for example, that the United States has not the slightest intention of increasing the price of gold or of attempting a reflation of bank credit, both of which measures have been forecast by London commentators and urged, incidentally, by Major L. L. B. Angas, in his new book, "Re-making the Boom."

Upturn in 6 to 10 Months

Assuming a disposition on the part of both the Government and business to revive the wilting flower of recovery, and assuming that the revival can be accomplished—aided by natural curative forces that are present—the question arises as to when the recession will end.

This is a most perplexing question for anyone to answer. Yet it is not difficult, in Washington, to find informed economists who are prepared to hazard an estimate. The "best opinions" range from six to ten months; in other words, that production indices will be showing positive improvement somewhere between spring and autumn.

Certain adjustments are necessary, it is felt, before the upturn can come. Inventories of goods must be drastically reduced in many fields and "fire sale" merchandising may have to be resorted to.

There must be an adjustment of costs. This implies a cessation of wage increases and an end to strikes. It is generally expected in Washington that labor leaders, who have been making competitive promises in the hope of building up their individual followings, will lay low in coming months. Instead of wages going up, some may actually have to be shaded downward in industries where increases have been so great that consumers have gone on strike against paying the higher prices that have been demanded.

Many factories are being closed down and will remain closed until their owners can see some possibility of profitable operations for them. As rising wage costs and rising taxes, and particularly the former, have contributed to the closing down of the plants, the latter are not likely to be reopened except at wage levels that will permit the finished goods to be sold. That even the President recognizes this was shown this week when he expressed the hope that "such adjustments as might be made" would not be at the expense of the "poorest paid workers."

Setback For Labor Leaders

It is generally agreed that extremists among the labor leaders have suffered a sharp setback as a result of the business recession. It has been demonstrated that the consuming public is not defenseless against the encroachments of labor demands that go beyond the ability of the buying public to concede. To quote Dr. Moulton again:

> "The labor atmosphere has cleared—the movement to accomplish the millennium overnight is checked by its very excesses."

Business observers in the United States look to prices on the commodity futures markets and the security indices on the stock markets to forecast the upward turn in business before it actually comes, just as these factors signalized the business decline before it got under way.

DIVIDEND NOTICES

The Bank of Toronto

Dividend No. 225

Notice is hereby given that a Dividend of Two and One-half per cent. upon the Paid-up Capital Stock of this Bank has been declared for the current quarter, and the same will be payable at the bank and its branches on and after the first day of December next to shareholders of record on November 15th, 1937.

The Annual Meeting of the shareholders will be held at the Head Office of the Bank on Wednesday, the Nineteenth day of January next, the chair to be taken at noon.

By Order of the Board.

H. B. HENWOOD,
General Manager.

Banque Canadienne Nationale

DIVIDEND NOTICE

Notice is hereby given that a dividend of two per cent (2%) (being at the rate of 8% per annum) has been declared by the Directors of the Banque Canadienne Nationale on the paid-up capital stock of the Bank for the quarter ending on the 30th day of November, 1937. This dividend, bearing the number 187, will be payable at the Main office or at the branches of the Bank, on or after the first day of December, 1937, to the shareholders of record on November 15, 1937.

By order of the Board,

CHARLES ST-PIERRE,
General Manager.

International Petroleum Company, Limited

Notice to Shareholders and the Holders of Share Warrants

NOTICE is hereby given that a semi-annual dividend of 75c per share and a special disbursement of 50c per share, both in Canadian Currency, have been declared, and that the same will be payable on or after the 1st day of December, 1937, in respect to the shares specified in any Bearer Share Warrants of the Company of the 1929 issue upon presentation and delivery of coupons No. 48 at:—

THE ROYAL BANK OF CANADA,
King and Church Streets Branch,
Toronto, Canada.

The payment to Shareholders of record at the close of business on the 19th day of November, 1937, and whose shares are represented by registered Certificates of the 1929 issue, will be made by cheque, mailed from the offices of the Company on the 30th day of November, 1937.

The transfer books will be closed from the 20th day of November to the 1st day of December 1937, inclusive, and no Bearer Share Warrants will be "split" during that period.

The Income Tax Act of the Dominion of Canada provides that a tax of 5% shall be imposed and deducted at the source on all dividends payable by Canadian debtors to non-residents of Canada. The tax will be deducted from all dividend cheques mailed to non-resident shareholders and the Company's Bankers will deduct the tax when paying coupons to or for account of non-resident shareholders. Ownership Certificates will be required by the paying Bankers in respect of all dividend coupons presented for payment by residents of Canada.

Shareholders resident in the United States are advised that a credit for the Canadian tax withheld at source is allowable against the tax shown on their United States Federal Income Tax return. If it is desired to claim such credit the United States tax authorities require evidence of the deduction of said tax. In order to secure such proof Ownership Certificates (Form No. 601) must be completed in duplicate and the Bank cashing the coupons will endorse both copies with a certificate relative to the deduction and payment of the tax and return one Certificate to the shareholder. If Forms No. 601 are not available at local United States banks, they can be secured from the Company's office or the Royal Bank of Canada, Toronto.

By order of the Board,

J. R. CLARKE,
Secretary.

56 Church Street, Toronto 2, Canada.
12th November, 1937.

IMPERIAL OIL LIMITED

DIVIDEND

Notice to Shareholders and the Holders of Share Warrants

NOTICE is hereby given that a semi-annual dividend of twenty-five cents (25c) per share and a special disbursement of thirty-seven and one-half cents (37½c) per share, both in Canadian currency, have been declared and that the same will be payable on or after the 1st day of December, 1937, in respect to the shares specified in any Bearer Share Warrants of the Company of the 1929 issue upon presentation and delivery of Coupons No. 48 to any Branch of:

THE ROYAL BANK OF CANADA,
in Canada.

The payment to Shareholders of record at the close of business on the 17th day of November, 1937, and whose shares are represented by registered Certificates of the 1929 issue, will be made by cheque mailed from the offices of the Company on or before the 30th day of November, 1937.

The transfer books will be closed from the 18th day of November to the 30th day of November, 1937, inclusive, and no Bearer Share Warrants will be "split" during that period.

Under The Income War Tax Act of the Dominion of Canada a tax of 5% is imposed on all persons who are non-residents of Canada in respect of all dividends received from Canadian debtors, and such tax must be withheld at the source. The above tax will be deducted from all dividend cheques mailed to non-resident shareholders and the Company's Bankers will deduct the tax when paying the dividend to or for the account of non-resident shareholders on presentation of coupons. Ownership certificates will be required by the paying Bankers in respect of all dividend coupons presented for payment by residents of Canada.

Stockholders resident in the United States are advised that a credit for the 5% Canadian tax withheld at source is allowable against the tax shown on their United States Federal income tax return. If it is desired to claim such credit on the return the United States tax authorities require the receipt or certificate of the Canadian Commissioner of Income Tax for such payment. In order for the taxpayer to secure such proof from the Canadian Commissioner it is necessary for the United States stockholder to submit, at the time of cashing his dividend coupon, an ownership certificate on Canadian form No. 601. Only in this way can the Canadian Commissioner identify the withheld Canadian tax with the specific recipient of the dividend in order to furnish the necessary individual receipt. If Forms No. 601 are not available at local United States banks, they can be secured by requesting the same from the Company's office or at any branch of The Royal Bank of Canada, in Canada.

By Order of the Board,

F. E. Holbrook,
Secretary.

56 Church Street,
Toronto, Ontario.

DIVIDEND NOTICES

The Bank of Nova Scotia

Dividend No. 272

Notice is hereby given that a Dividend of three per cent on the paid-up Capital Stock of this Bank has been declared for the current quarter to shareholders of record of December 16th, and that the same will be payable on and after Monday, the third day of January next, at any of the offices of the Bank in Canada.

By order of the Board.

H. F. PATTERSON,
General Manager.

Halifax, N.S., November 16th, 1937.

The Canadian Bank of Commerce

Dividend No. 203

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 30th November, 1937, and that the same will be payable at the Bank and its Branches on and after Wednesday, 1st December next, to shareholders of record at the close of business on the 30th October, 1937. The Transfer Books will not be closed. By Order of the Board,

A. E. ARSCOTT,
General Manager.

Toronto, 15th October, 1937.

McKenzie Red Lake Gold Mines Limited

(No Personal Liability)

DIVIDEND NO. 4

NOTICE is hereby given that a dividend of five cents per share has been declared payable on the 15th day of December, 1937, to shareholders of record at the close of business on the 30th day of November, 1937.

By Order of the Board.

H. M. ANDERSON,
Secretary-Treasurer.

Toronto, November 13th, 1937.

Vulcan Oils Limited

Notice is hereby given that a dividend of FIVE CENTS (5c) per share has been declared on the issued Capital Stock of the Company payable on the 20th day of December, 1937, to shareholders of record at the close of business November 30th, 1937. The books of the company will be closed from the 30th day of November, 1937, to the 20th day of December, 1937, incl.

A. J. FLOOD,
Sec.-Treas.

General Brock Hotel Company, Limited

Niagara Falls, Canada, and

Prince Edward Hotel (Windsor) Limited

Windsor, Ontario

Notice is hereby given that the Board of Directors of the above Corporations announce the Prince Edward Hotel interest is payable on November 15th at any branch of the Royal Bank of Canada in Toronto and Windsor, Ontario; and the General Brock Hotel interest will be payable at any branch of the Royal Bank in Canada on December 1st.

VERNON G. CARDY,
President.

DIVIDEND NOTICE

Canadian General Electric Company, Limited

Notice is hereby given that a dividend of one dollar and fifty cents per share for the quarter ending December 31, 1937, has been declared on the Common Stock of the Company.

The above dividend is payable on January 1, 1938, to shareholders of record at the close of business on December 15, 1937.

By order of the Board.

W. H. NESBITT,
Secretary.

Toronto, November 12, 1937.

CONSOLIDATED DIVERSIFIED STANDARD SECURITIES LIMITED

Dividend No. 11

NOTICE is hereby given that a dividend of 37½ cents per share on the outstanding fully paid non-cumulative redeemable First Preference shares has been declared, payable December 15, 1937, to shareholders of record December 1, 1937. Transfer books will be closed from December 1 to December 15, 1937, inclusive.

By Order of the Board,

A. G. TIERNEY, Sec.

P.S.—Dividends accruing on fully paid shares not as yet registered in the company's stock records shall be set aside and paid only when registration shall have been completed.

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 299
EXTRA DIVIDEND NUMBER 40

A regular dividend of 1%, and an extra dividend of 1%, making 2% in all, have been declared by the Directors on the Capital Stock of the Company, payable on the 2nd day of December, 1937, to shareholders of record at the close of business on the 18th day of November, 1937.

Dated the 11th day of November, 1937.

I. McIVOR,
Assistant-Treasurer.

Royalite Oil Company Limited

Notice of Dividend Number Nineteen and of a Special Disbursement of Twenty-five Cents Per Share

NOTICE is hereby given that a regular Dividend of Fifty Cents per share, and a Special Disbursement of Twenty-five Cents per share, have been declared payable to the Shareholders of the Company, of record as such, on the books of the Company, at the close of business on Friday, the 19th day of November, 1937, and that the said Dividend and Special Disbursement will be payable on or after Wednesday, the 1st day of December, 1937.

The Register of Transfers will be closed from the close of business on Friday, the 19th day of November, 1937, until the opening of business on Wednesday, the 1st day of December, 1937.

By Order of the Board.

T. E. BURNS,
Secretary.

Calgary, Alberta.
12th November, 1937.

Realities in Real Estate. 4

The Civic Burden Bearers

Taxation Seen As Main Reason For Present Problems

By R. A. McEACHERN
Staff Writer, The Financial Post

"The best tax is the one that gets the most feathers with the fewest squawks."

That old political adage applies with particular aptitude to the tax on real property, that patient burden bearer which has carried the cost of government so long that it seems often to have forgotten how to squawk.

Since the beginning of the Great War cost of government in Canada has increased fourfold. Federal expenditures are up 276%, provincial up 381%, municipal up 207%.

Nearly all the new money needs of the municipality come from education and social services. And between 85% and 90% of the municipal revenue is derived from the tax on land and buildings.

A powerful and increasing body of Canadians maintains that there is a very real question whether the major cost either of education or unemployment relief can justly be saddled on real property.

Real property is fundamental in the nation's business structure. Its owners are regarded as among the first citizens. New taxes have been invented to assuage the Dominion's growing needs for money.

But the property owner feels he is doing more than his share as a property owner. Between 1925 and the present, the average urban property tax has advanced almost 20%. But in the same period, the depression and its aftermath were wiping some 20% to 50% off the value of property.

Now thousands of homes and buildings are assessed far beyond their value. The writer knows of cases in which property offered at less than half its assessed value has stood for two years without selling.

Time For Change

Real property owners are coming to the opinion that sweeping change in the Canadian system of property assessment must come. Some feel that, properly applied by assessors who really know their business, the present system might be satisfactory, but for many years value has borne so little relation to real or market value that many feel relief will come only with revolutionary change.

The skyscraper is just one realty development which is very largely blamed on the present system of assessment, virtually the same both here and in the United States. Mr. A has a four story office building assessed at $1,500 per frontage foot. Mr. B buys the property next door and decides to build a 20-story building so as to get more out of his costly land.

Mr. A's taxes go up. His property, the assessor claims, is more valuable because of its big new neighbor. Experience, however, shows in general that the very reverse is true. With higher taxes the four-story building may have its profit wiped out entirely. Proximity to the tall building may make it less desirable for tenants, and suites go vacant, despite lower rents. In fact, then, the four-story building has fallen in value, although the assessor says it has increased.

Prosperity Sets Pace

The business block reputedly with the highest assessment in the Dominion is a glaring example of what this system of "supposed value" can do. One side of the street prospers as the locale of several bank and trust company head offices. On the opposite side three major buildings are empty. Taxes too high, is the explanation owners and realtors give. One owner thinks he was smart in tearing down quite a good office building. He has his taxes reduced and loses less by parking cars.

In the very next block where the assessment is much lower the last 15 years have seen the erection of four major buildings and not a single vacancy.

For thousands of years land has been the foundation on which the enterprising businessman built his fortune and his security. Here is the case of one Canadian past middle life who put $90,000 into real estate in a small thriving Ontario city. Last year his income from rents was $8,428. His taxes $2,905. Writing his $90,000 investment down to $73,000, earnings after costs are 2.41%. But he has mortgages at 6% totalling $22,900 on his properties. That leaves him with .78% from the investment of the major part of his life savings.

The British System

The British system of levying tax on real property is regarded by many as a probable solution, at least an improvement. Simply expressed, the British property tax is an income tax, in which the tax is based on the amount of rent paid. If a property is unproductive, a vacant lot or vacant building, the owner is spared. Advocates of this system claim income assessment is more realistic, more fair and more sensitive to changing conditions.

The Canadian property owner is virtually discouraged from improving his property. When he shows himself a good citizen by improving his property and his district, he is at once penalized for his domestic and civic virtue by having his taxes raised.

Taxes and Seisure

Upholders of the Canadian system argue that in a new country the State must penalize those who hold property vacant in that they must be taxed into making it productive, by building or otherwise improving it.

Under excessive taxes, however, realtors point out that the result has been precisely opposite.

"Worst of all," declared Harold E. Manning, leading figure in the Ontario Property Owners' League and former University of Toronto lecturer in economics, "is the law used in Canada that if you don't make good with your taxes they take away your capital for good.

"Compare that with income tax. Say you didn't pay income tax for two or three years and the State took away your capacity to earn for all time. Such a law would mean revolution. Yet that is what is being done with property in Canada all the time.

"There is a lot of talk about the building boom in Britain—how important a building boom here is to widespread recovery," Mr. Manning continued. "It wasn't leadership the British Government gave that started the boom there. It was the repeal of the Increase of Rent and Mortgage Reduction Act which took the restrictions off property holding and restored this class of investment to the profit-making category."

It is frequently urged that municipalities have fostered extravagance and exposed the real property owner to excessive burdens by extending too widely the right to vote. When only property owners could vote, civic administration could be expected to show reasonable economy and fairness. But with successive enlargements of the franchise, more than half the municipal voters are not property owners and have little or no direct interest in economy.

The municipal politician finds, then, that he is in effect spending the money of the minority to please the majority, a highly popular form of administration and good policy for re-election.

Because of the relatively small municipal vote in the average election, it would appear that if the property owners all voted and voted together, they might get responsible administration. Such a measure of assiduity and unanimity, however, is seldom forthcoming.

Quest For Relief

What relief is in sight for the real property owner? Yearly, the State's need for money has been increasing. It has mortgaged future generations. It is apparently going on to assume still more burdens.

Realtors and property owners are almost unanimous that real estate revival very largely depends on reshifting of the tax burden.

"Why should unemployment relief be saddled on property?" is a common protest. Many refer to education and other services of the modern state as an improper charge on real estate. Less than half of Canada's households own their own homes.

In the larger Canadian cities only 37% own their own homes, yet the children of the renters and the renters themselves profit from the services which land chiefly supports.

Against that argument, of course, it is said that the property-owner passes on taxes to his tenants who thereby make their contribution.

That argument is invalid because two entirely different sets of factors are being considered. The rent which an owner can get is governed entirely by the old law of supply and demand, which has nothing to do with the cost of education or of unemployment relief or any other social service. In theory, the landlord does, but in practice seldom can, pass on any increase in his tax bill.

Government Extravagance

The Canadian political set-up is ingeniously contrived for extravagance. It is an old fact which can't too often be repeated that Canada has 27,832 taxing bodies, federal, provincial, municipal and school. Saskatchewan, it has been estimated, has one taxing body for every 131 persons. Nova Scotia, one for every 285, Ontario one for 385. England has 146 taxing authorities for her entire 50 millions of people. School boards are in effect handed blank cheques. In the years 1917 to 1931, Harold Manning points out, the school population of Toronto increased 25%. In the same period the capital debt of the Toronto Board of Education increased 163%. In Canada over 80% of the cost of public education is borne by property. In England, only about 50%.

It is no fault of the Fathers of Confederation that Canada's system of government is, in some respects, poorly adapted for modern complex society. It could not then be foreseen that the sources of revenue of the municipality would advance so slowly while the responsibilities of the municipality would leap upward almost 400% with the burden of public welfare.

Rowell Commission

Ontario's Premier Hepburn led the way in a trend that is almost certain to become fairly general by granting the municipalities a subsidy, although at the same time he took away the income tax. The Rowell Commission is charged with finding more equitable, more effective distribution of the Canadian tax burden.

That they will revolutionize our entire tax system no one expects. What is expected of them, however, is that they will establish new trends in taxation; that they will point the way toward a system which will give real estate a square deal and the conditions of permanent health.

Fundamental recasting of the system seems to be obligatory. But in spite of the slowness with which this is liable to come, the real estate outlook is by no means one of gloom. As losses of inflated values of the 20's are gradually liquidated and as business recovery firms, not even exorbitant or unfair taxation can stop the outburst of the pent-up demand accumulating during the past seven years.

DIVIDEND NOTICES

Canada Cement Company Limited

Preference Dividend No. 22

NOTICE is hereby given that a dividend of One Dollar and Twenty-five Cents ($1.25) per share on the Preference stock of this Company has been declared, payable on the 20th day of December next to Preference shareholders of record at the close of business November 30th, 1937.

G. A. RUSSELL,
Secretary.

Montreal, November 16th, 1937.

MacKinnon Steel Corporation Limited

A dividend of one and three-quarters per cent (1¾%) has been declared on the 7% Cumulative Sinking Fund Redeemable Preferred Stock of MacKinnon Steel Corporation Limited payable December 15th, 1937, to shareholders of record on November 30th, 1937.

This is a payment on account of arrears of preferred dividends.

By order of the Board of Directors.

J. G. SCORER,
Secretary.

Montreal, P.Q.,
16th November, 1937.

McKinley Mines Securities Company Limited

(No Personal Liability)

DIVIDEND NO. 7

Notice is hereby given that a dividend of 2½ Cents per share and a bonus of 2½ Cents per share (a total of Five Cents per share) on the issued capital stock of the Company has been declared payable December 1st, 1937, to shareholders of record at the close of business November 19th, 1937.

By order of the Board.

J. INGRAM,
Secretary-Treasurer.

Toronto, November 13th, 1937.

Sylvanite Gold Mines, Limited

(No Personal Liability)

TO SHAREHOLDERS AND HOLDERS OF SHARE WARRANTS:

Notice of Dividend No. 25

NOTICE is hereby given that a regular quarterly dividend of Five per cent (5%) (representing five cents per share) on the outstanding Capital Stock of the Company, payable in United States funds, has been declared as Dividend No. 25.

Such Dividend will be payable December 31st, 1937, to Shareholders of record at the close of business November 25th, 1937.

In the case of Share Warrants such Dividend will be payable on or after December 31st, 1937, in respect to the shares specified therein, upon presentation and delivery of Coupon No. 25 at:

The Canadian Bank of Commerce, Toronto, or any branch of said Bank in Canada (Yukon Territory excepted) at the Bank's current buying rate for United States funds on the date the coupon is cashed, without deduction for collection charges; or, Liberty Bank of Buffalo, Buffalo, N.Y.

The Canadian Five per cent (5%) tax will be deducted from Dividends paid to non-residents.

By Order of the Board.

W. S. WALTON,
Secretary.

Toronto, November 15th, 1937.

NOTICE OF DIVIDEND

Gunnar Gold Mines Limited

(No Personal Liability)

Dividend Number 1

A dividend of 3% has been declared by the Directors, on the Capital Stock of the Company, payable on the 15th day of December, to shareholders of record at the close of business on the 1st day of December, 1937.

DATED the 13th day of November, 1937.

B. E. KEARNS,
Secretary-Treasurer.

Shareholders should see that stock certificates they hold are registered in their names by December 1st in order to receive this dividend direct.

Canadian Wallpaper Sales Well Maintained

Sales of Canadian Wallpaper Manufacturers Ltd. are reported to be holding up well during the current fiscal year, although no figures are yet available.

The company's year ends in April, and business is largely seasonal, in that new lines of wallpaper are not placed on the market until late in the summer.

Returns so far this year have been quite satisfactory, with increased sales of higher priced paper tending to raise the average price per roll sold. This improvement, however, will be at least partly offset by rising costs of production.

Engineers Will Honor New Hydro Chairman

Gratification of the engineering profession in Ontario upon the appointment of an engineer to the chairmanship of the Hydro-Electric Power Commission of Ontario, will be registered at a dinner to be given in Toronto on Dec. 8 in honor of Dr. T. H. Hogg, chairman and chief engineer of the Commission. The sponsoring committee is representative of nine engineering organizations operative in the province, with A. H. Frampton, 350 Bay Street, Toronto, functioning as secretary-treasurer.

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Plant Increased By de Havilland

Construction of the 20 Tiger Moth planes ordered by the Canadian Government is well under way at the plant of de Havilland Aircraft of Canada, in Toronto, where approximately 100 are now on the payroll, more than three times the number employed a year ago. The contract amounts to slightly more than $150,000, and has necessitated the building of two new hangars which were put up this year, releasing for manufacturing purposes a corresponding amount of space which was formerly used for storage.

Business apart from this contract is somewhat slack, reflecting the smaller volume of business being enjoyed by aviation transportation companies throughout Canada.

Sales during the fiscal year ended Sept. 30, 1937 are expected to show double those of the previous period when the annual report is issued in January next. During the 1935-1936 year they totalled $169,000. No estimate of profits is yet available.

Work on the government contract was started in July of this year, but sales figures for the fiscal period will include no part of this order, which will, however, be completed by March, 1938, and will accordingly show in the returns for the current fiscal year. The planes are being entirely built in Toronto with the exception of the engines, which are imported from England where they are built by the parent company.

Income Tax Problems

Non-resident Taxes

I am thinking of taking up permanent residence in England or the United States and would appreciate information as to what income tax, if any, I will be expected to pay to the Canadian Government. Can you also tell me if a Canadian, resident either in Canada or England, is likely to be subject to discriminatory legislation affecting his holdings of United States securities?

Only income tax payable by non-residents of Canada to the Dominion Government is the 5% tax deducted at the source of interest or dividend payments. This tax does not apply to residents of Canada, who are subject to the regular income tax laws of Canadian Governments, but all dividend or interest paying agents are required to make a 5% deduction before remitting income of this nature to persons residing in other countries. This would apply to both the United States and Great Britain.

As you are just now considering the matter of changing your residence, you will undoubtedly be required to pay full income tax at the rates applicable to your income for this year. The Income Tax Act states that a tax, at rates applicable, shall be levied on every person who sojourns in Canada for a period or periods amounting to 183 days during a year. For example, anyone who has established residence abroad and who is not an ordinary resident of Canada, could spend 182 days in Canada without incurring income tax liability, if this income was derived from sources outside Canada. The regulation does not exempt ordinary residents of Canada from income tax, nor would it exempt a transient whose income was derived from sources or services in Canada, this being subject to the 5% deduction.

So far as the United States is concerned, a reciprocal Tax Convention has been signed providing for deduction of 5% tax at the source on income paid from sources in either the United States or Canada to residents of the other country. This regulation is expected to be in force shortly and will be retroactive to the beginning of 1936. The change only applies between Canada and the United States and residents of England will still be subject to a 10% deduction on income from United States sources.

There appears little likelihood that a resident of Canada or England will become subject to discriminatory legislation affecting any investments that he might hold in the United States. He will, of course, be subject to the regular taxes and regulations which will apply. The subject of foreign investments in the United States receives periodic attention and discussion, but, in so far as Canada and Great Britain are concerned, the large volume of American investment in these countries should ensure favorable treatment.

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CHATELAINE

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MR. EVAN PARRY, F.R.A.I.C.

as

Architectural Editor

HAVING for years pioneered in the mass magazine field in educating Canadians in home-building, remodelling and furnishing, Chatelaine now enlarges this service through the appointment of Mr. Evan Parry, F.R.A.I.C. as editor of a department which will in practical fashion cover the latest home-building trends.

Mr. Parry is particularly well qualified to direct this new department, being a Fellow of the Royal Architectural Institute of Canada and a member of the Ontario Association of Architects. He was Chairman of the Art, Science and Research Committee of the Royal Architectural Institute for more than eight years, and following the Great War was in charge of the Housing Division of the Dominion Government. His wide experience includes the design of many houses and housing developments in Canada and the United States, and he is a member of the Research Committee of the Housing Centre in Toronto.

Suggestions on renovation, insulation, interior decoration, gardens and many more kindred subjects will be reviewed. And to many, perhaps the most valuable of all will be the Questions and Answers Department which will be conducted as a regular service by Mr. Parry.

This is the first instance, we believe, in which any Canadian consumer publication has appointed a graduate architect as a full-time editor of a home-building department.

This outstanding development by Chatelaine will awaken new interest in building, in renovation, in a general improvement in standards of living. Chatelaine readers will be in a receptive frame of mind to heed specific selling arguments leading to the betterment of the home.

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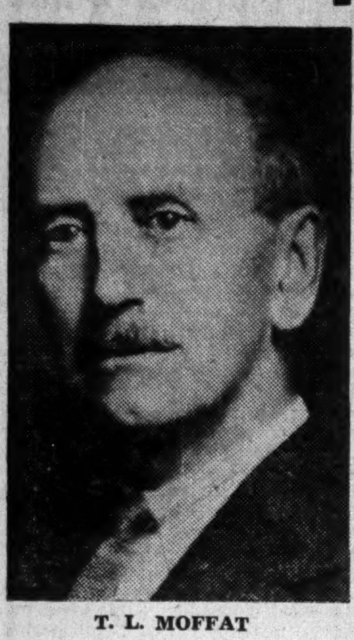
The Fruits of Exporting

A clear-cut trail to profitable export markets for Canadian industry has been blazed by T. L. Moffat, president of Moffat's Ltd., makers of stoves and refrigerators.


T. L. MOFFAT

Mr. Moffat, whose 75th birthday recently was marked by a complimentary banquet tendered by his employees, believes that Canadian manufacturers could and should sell abroad 20 times what they do. This is no rosy vision of a dreamer gazing into the misty years ahead. In the markets of commerce vision is valuable. So is realization of opportunities. But they are not enough.

The Fruits of Export

In Mr. Moffat's case, vision and knowledge are crystallized into concrete results. He can point to the record of a long and active life to back up his contention that the fruits of the export trade come to those who get busy and pick them.

The company he heads started as a village machine shop and now operates one of the larger plants in the Toronto area. In the half century he has seen annual production grow from a few stoves sold locally to nearly 35,000 units which find their way to all corners of the world. Most significant, 60% of the company's production goes into export channels, chiefly to Empire countries.

What he has done and the methods he has pursued are within reach of manufacturers in other industries where the export opportunities have not been fully developed, Mr. Moffat believes.

Direct Action

Mr. Moffat has steadily widened the horizon of his market and at the same time continued to enjoy the advantages of manufacturing in Canada, by following the simple and common sense policy of direct action. His chief methods can be classified as follows:

1. In seeking to open up a new market, don't sit at your desk in Canada and write enquiries or requests to trade commissioners and foreign buyers. Go direct to the city, region or country involved.

2. Make contact with potential buyers, both wholesalers and consumers; and thoroughly inform yourself on the market requirements and conditions affecting your product.

3. Ship products of high quality and at the best possible price, but don't adhere too rigidly to the standards and specifications for a particular product. What may be suitable and popular in Canada may fail to meet the demand in another country, or may fail to withstand peculiar climatic or other conditions.

4. Don't rely on trade commissioners to get orders. Mr. Moffat believes they perform a valuable and useful service in establishing social, political and commercial contacts, and in supplying to enquiring businessmen a general background of information on the market area affected. But the commissioners cannot be expected to have the detailed knowledge of a man's business necessary to get orders.

Incidentally, Mr. Moffat believes that the commissioners suffer from a handicap in having the word "trade" in their title, and thinks that their value to Canadian commerce would be much enhanced if they were known as "commissioners" or "consuls" with full status as national envoys.

Constant Travel

Mr. Moffat has travelled constantly since he was a young man, not only for his own profit and that of his associates, but for personal pleasure. In all his travels, he has adhered carefully to one principle—never try to sell goods in a new town or a new country as soon as you arrive. He tours around the district first, listening and enquiring, until he has a comprehensive picture of conditions and the wants of the people.

On his first visit to New Zealand, he spent weeks travelling around the country studying conditions and discussing market outlook with business men, before he even attempted to book an order. He has always followed a similar procedure in visiting foreign markets, particularly the Empire countries on which he believes Canadian exporters should concentrate in developing business abroad.

While Moffat products have penetrated markets in the Orient, Europe and even the Fiji Islands, British Dominions and colonies have proved the most fruitful markets. Large proportions of all the stoves used in New Zealand, Australia, South Africa and the Irish Free State were made in the Moffat plant at Weston, Ont., or, in recent years, at the branch plant at Blackburn, Eng.

At the same time, Mr. Moffat feels that Canadian industrialists should not neglect the attractive opportunities for trade in the Orient, South America and other parts of the world. To his mind, it is no more difficult for Canadian producers of a variety of other products to penetrate these foreign markets than it has been for the Moffat concern.

"It is no easier to ship stoves to New Zealand than furniture or any other product," he says. "Perhaps it is harder, for furniture has not got the complicated array of switches and wiring of an electric stove. Obvious opportunities for Canadian trade are being allowed to slip through our fingers. To take advantage of these opportunities requires co-operative effort, good salesmanship and good advertising."

Meeting Export Needs

Mr. Moffat's early training as a mechanic and manual worker, and his thorough knowledge of his products, have stood him in good stead on many occasions in developing business abroad. On occasions he has not only been able to detect the reaon why Moffat stoves were not selling well in particular regions, but also to work out a method of overcoming the objection.

Complaints of some Canadian manufacturers as to bad debt losses and the difficulty of keeping prices on a competitive level with exporters of other countries, are questioned by Mr. Moffat. After years of experience, he has found that bad debt losses on export business have been "infinitesimal" in relation to total business done. And he believes that low electric power costs, stable conditions, and the intelligence and high standards of craftsmanship of Canadian workmen, enable Canadian manufacturers to compete in world markets on an exceptionally advantageous basis.

Volume Higher For World Trade

"One of the best indexes of world trade is the volume of merchandise which moves through the Suez Canal," declares the Royal Bank of Canada in its monthly bulletin. "The recent unprecedented rapid rise in this volume must be regarded as most encouraging. For the quarter ending June, 1937, volume was within 2% of the record levels in 1928 and 1929. For the early part of this year, statistics indicate volume of world trade was more than 90% of 1929. During the first eight months of 1937, volume of merchandise passing through the canal amounted to 22,139,000 tons compared with 16,563,000 tons in the same months of 1936.

"Merchandise traffic has tended to forecast a general development in world trade. If the trend of world trade, as indicated by the recent movement of goods through the Suez, is maintained, of itself this will constitute a basis for optimism concerning the political and economic outlook."

What's What In Advertising

By JEAN R. GEMMELL

Eclipse Razor Co., of Chicago, is the most recent advertiser of electric razors for the Canadian market. The Miracle electric dry shaver is being advertised for Christmas trade in a list of rotogravure publications throughout Canada. Plans have not as yet been completed for 1938 media but it is expected that magazines at least will be added. Benison Co. Limited, Toronto, is handling the advertising and Percy Hermant, Ltd., Toronto, has the distributing rights.

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James Fisher Advertising Agency is releasing the season's advertising campaign for C.C.M. skates and shoe-matched sets. Advertising will appear in both large and small city dailies from coast to coast.

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B. W. Keightley, Montreal, advertising manager of Canadian Industries Ltd., is to be guest speaker at the monthly meeting of the Women's Advertising Club of Toronto on Nov. 22, his subject "Current Trends in Advertising."

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G. Russell Chapman, of London, Eng., general secretary of the Advertising Association of Great Britain, has arrived in America on a six-weeks tour. He will visit more than 20 cities in United States and Canada where he will study organized advertising methods and extend an invitation to advertising men to attend the International Advertising Convention to be held in Glasgow on June 25 to 29.

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Hugh C. MacLean Publications Limited announce the formation of a separate company to operate the Magazine Division of their business.

The new company will publish the "Canadian Magazine" and kindred publications. Major Hugh C. MacLean, chairman of the board of Hugh C. MacLean Publications Limited, will be president of the new company; John Atkins and Andrew D. MacLean will be vice-presidents. John Atkins, for many years manager of the Magazine Publishers' Association, will be managing director.

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"Canadian Magazine" announces the appointment of A. E. Hall as advertising manager, effective December 1, 1937. Mr. Hall has, for some years, been advertising manager of "The Farmer," published by Consolidated Press.

Spotlight on Labor

C.I.O. in Alberta

EDMONTON.—Organizers of the Committee for Industrial Organization are reported active in Alberta, attempting to organize branches of the International Woodworkers of America among timber workers in districts northwest and southwest of Edmonton. The International Woodworkers have 138 locals in the Pacific northwest region of the U. S.

Localities where organization is proceeding in Alberta are Whitecourt, Winfield and Rocky Mountain House.

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Coal Strike Ends

Operations were resumed after brief suspension at the four mines at Drumheller, Alta., affected by the walkout of 600 mine workers over a dispute in regard to pay for timbering work. With district officers of the United Mine Workers insisting that the strike was an unauthorized walkout in violation of union contracts with coal companies, the men agreed to resume work pending negotiations to be conducted by Federal labor department officials. The strikers demanded doubling of the pay rate for temporary timbering.

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Union Rights Bill

VANCOUVER.—The Government is reliably reported to have abandoned the intention it nourished to a few weeks ago, of putting through the Legislature some form of statute conferring rights and protection on trades union organizations.

According to The Financial Post's informant, the Government wants to avoid promulgating any new law that would widen the breach between employers and employees. It would look with favor on the plan New Zealand has in operation making arbitration of industrial disputes compulsory.

Organized labor in this province has been pressing for legislation that would legalize union organization. Members of the Cabinet fear that such a measure would only encourage rather than eliminate labor trouble.

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Textile Inquiry

Hearings of the Ontario Industry and Labor Board relating to its enquiry into labor and operating conditions in the textile industry in the province, were held the other day in Hamilton, Brantford, Welland and Woodstock. Previous hearings have been held in Toronto and Cornwall. The enquiry, launched with a view to setting of basic regulations as to wages and hours in the industry, arose out of settlement of strikes last summer of textile workers at Peterborough and Cornwall. Organized textile workers are being represented by officials of the National Textile Council composed of ostensibly divorced Canadian branches of the United Textile Workers, C.I.O. affiliate.

3 Outstanding Hotels IN 3 FINE CITIES

NIAGARA ROARS ITS MIGHTY WELCOME!!
Commanding the finest possible view of the seventh wonder of the world, the beautiful General Brock is also world famous for its sun deck and magnificent Rainbow Deck.
Ronald P. Peck, Resident Manager
General Brock Hotel
NIAGARA FALLS, ONTARIO

IN THE HEART OF ORCHARDS AND INDUSTRY!!
Serving the rich agricultural and industrial Niagara peninsula, the Royal Connaught's far famed hospitality has become international tradition.
H. Alexander MacLennan, Resident Manager
Royal Connaught Hotel
HAMILTON, ONTARIO

SIX MINUTES FROM THE HEART OF DETROIT!!
One of Canada's really outstanding hotels, the beautiful, modern, 300-room Prince Edward is in the centre of Windsor—yet by tunnel—only six minutes from Cadillac Square, Detroit.
Harry A. Peters, Jr., Resident Manager
Prince Edward Hotel
WINDSOR, ONTARIO

Of course, when in Montreal, it's the beautiful Mount Royal Hotel.

ALL UNDER THE DIRECTION OF VERNON G. CARDY

—Photo Blank and Stoller

NEW CURB MEMBER

J. G. Carrique has just been elected a member of the Montreal Curb Market. He has been connected with the firm of Oswald & Drinkwater since March of this year.

New Books . .

Denmark Today

DENMARK 1937. Published by the Danish Statistical Department, Copenhagen.

Denmark's official year book is a handy volume in an attractive red-cloth, limp cover. Of particular interest to Canadians will be the special articles on the co-operative movement and on the organization of the farming industry.

Labor Union Technique

WHEN LABOR ORGANIZES. By Robert R. R. Brooks. Published by the Ryerson Press, Toronto. Price $3.50.

"When Labor Organizes" might properly be called "How Labor organizes." The author, who is an American economist specializing in industrial relations, starts his book with an account of a day in the life of a labor organizer and proceeds through all phases of labor union activity to reach the ultimate question of what are organized labor's untimate aims, social and political.

It is a strikingly useful volume. One intends it as a compliment to the author to say that he could have been a most successful newspaper reporter, for there is a vividness and color to his manner of telling his story that suggests the trained newshawk more than it suggests an assistant professor of economics. The publishers have seized upon and magnified this telling quality by giving their volume an attractive format and richly illustrating it with photographs of labor leaders and labor activities. Thus what is labelled an eloquent "guide-book" to labor facts is also a piece of easily read contemporary literature that will interest the average citizen as much as it does the student of labor movements and the industrialist wanting to know how labor goes about organizing unions and strikes and how such challenges can be met.

There is, however, a serious defect. A curious change seems to have come over the author as he was writing his volume. He starts off with a casual, matter-of-fact account of lagor organization. There is a minor touch of cynicism here and there as he reveals the shallowness of many of the appeals used and the insincerity of much of the organized labor's propaganda. But as the volume unrolls, the author becomes more and more a propagandist for organized labor and increasingly a bitter and intemperate critic of employers. He makes little attempt to distinguish between good or bad, right or wrong, on either side. He becomes an apologist for violence in labor attack and a violent critic—properly so—of violence in industry's counter-attack. Thus many of the chapters represent an unfortunate distortion of the obvious aims and purposes of the book which was to present a detached and uncolored account of how labor organization operates on this continent. It is a major defect, but Mr. Brooks' work should nevertheless receive wide attention as a useful volume that at least started out to be constructive.

83% of Cars In One State Visit Canada

Survey of American Tourist Traffic Made by Royal Bank

VERMONT LEADS

Over 83% of all the cars registered in the State of Vermont, or some 70,066, were in Canada from two to 60 days, according to an analysis of the tourist trade just made by the Royal Bank of Canada.

Over 16% of all Michigan cars, or 1,374,000, and almost 55,000, or 11%, of Washington state cars visit Canada, the analysis finds. Other states, which have a heavy traffic to Canada, are Maine, New Hampshire, New York.

Most cars are from New England, 10.5%, with only 3.7% of all cars registered in the central state, 2.6% of cars in the Pacific states, 0.4% of the southern states, and 0.9% of the Rocky Mountain area coming to Canada.

Tourist Spendings

Expenditure by U. S. tourists in Canada this year of $300 millions is believed a conservative estimate by the Royal Bank analyst. "Since there are more than 20 million visitors in the course of a year, a per capita expenditure of less than $15 would produce an aggregate of $300 millions. In order to secure as close a check as possible on the volume of such expenditures, the Dominion Bureau of Statistics supplied thousands of visitors with cards and asked them to fill them in and return by mail."

It is pointed out that these figures are averages which iron out exaggerations of expenditures. The Royal Bank writer, however, feels that it will be much more common that most persons will forget various expenditures, and that the figures tend to be on the low side because "many travellers feel that there is some magic method by which their own Customs will be able to penalize them if they give a full statement of what has been spent."

Mayfair

Mayfair, London, derived its name from a fair that used to be held at the north side of Piccadilly during the first 15 days of May. Sydney Smith once said that Mayfair, the parallelogram between Oxford Street, Piccadilly, Regent Street and Hyde Park, "enclosed more intelligence and ability, to say nothing of wealth and beauty, than the world had ever collected into one place before."

Canadian Pacific Express Travellers Cheques Are World Currency
Carry them on your next trip and be assured of travel comfort.
Get them from any agent of the Canadian Pacific & most Banks

SOUTH AFRICA CALLS YOU

Table Mountain with its "Table-cloth"

Native Hairdresser

TODAY, as in the storied past, this golden land extends its urgent spell. Where sailed the intrepid galleys of black-bearded Diaz, where the stout ships of Vasco da Gama passed, there lies a land deep steeped in ancient mystery, a country proudly crowned with nature's loveliness and grandeur. Here, in contentment, lives today a people famed for hospitality and richly dowered with prosperity mined from a treasure house of gold beneath the soil.

From the first moment when the traveller ends his pleasant voyage at Capetown, sees first above its fresh white buildings Table Mountain with its "table-cloth" of cloud, he undertakes a pilgrimage of pleasure never to be forgotten. Before him lie the wonders of Zimbabwe whose ruined walls have braved the jungle growth throughout forgotten ages. Soon he may stand in wonder midst the eerie beauty of the Cango Limestone Caves, tour the Kruger National Park where strange beasts prowl unharmed beside the road, or on the shining beach at Durban bathe in sparkling surf. Here are new thrills and new delights galore, a holiday whose memory will ever tempt return.

This most unusual trip is easily arranged. You will be surprised at how little cost this rich experience may be yours. Your travel agency will be glad to help you plan your vacation in detail.

THRILLS OF THE PRIMITIVE IN CIVILIZED COMFORT

2000 MILES AND MORE FOR $3.75
W
E
Canada

by TRANS-CANADA TELEPHONE

Trans-Canada is the Telephone System which makes it possible for you to talk to any part of the Dominion where telephone service exists.

ONLY a few years ago, it was necessary to hang up your telephone receiver after placing a Long Distance call and wait for the operator to call you back . . . and a station-to-station daytime call between points 2,000 miles apart cost $8.70.

Today, nearly all Long Distance calls are put through while you hold the line and the cost of a 2,000 mile week day station-to-station telephone call is now $6.00 — and only $3.75 after 7 p.m. and all day Sunday!

Use Trans-Canada Telephone. Just ask for or dial Long Distance.

RATES
The following are the daytime, station-to-station rates for telephone calls from Toronto to:

Halifax	$3.00
Saint John	2.30
Winnipeg	3.25
Brandon	3.50
Regina	4.25
Moose Jaw	4.25
Calgary	5.50
Edmonton	5.25
Vancouver	6.50
Victoria	6.50

THE TRANS-CANADA TELEPHONE SYSTEM

TRANS-CANADA TELEPHONE SYSTEM
THE BELL TELEPHONE COMPANY OF CANADA

STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

The following table is confined to official prices for listed stocks. Where no recent transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING NOVEMBER 15

Range 1937 High	Low	Div. R'te $	Nov13 Y'ld %		Sales	Last Nov. 8	Week end. Nov. 15 H	L	Cl'se
				A					
15½	1⅞	*	...	Abitibi	9919	2	2⅜	2¼	2⅜
80	17½	*	...	Do. pref. 6%	6245	19⅜	24	19	21⅜
97	35	*	...	Do. pref. 7%	10	72	35	35	35
79½	17	*	...	Do. cert. dep.	....	(22½ bid — asked)			
6⅞	2¼	10c	...	Acadia Sugar	....	(2½ bid — asked)			
18½	9	50c	5.5	Acme Glove	....	(— bid 9 asked)			
94	75	6.50	7.7	Do. pref.	....	(— bid 75 asked)			
12	8½	60+30c	8.6	Agnew Surp.	25	11	10½	10½	10½
110	103⅜	7	6.7	Do. pref.	....	(103⅜ bid — asked)			
7	1½	*	...	Alta. Pac. Gr.	....	(— bid 2½ asked)			
43½	9	*	...	Do. pref.	85	13	15	14	15
135	75	*	...	Aluminum	....	(67⅜ bid 70 asked)			
130	118	6+7.75▲	.	Do. pref.	10	118	122	122	122
7	4	*	...	Amal. Electric	....	(— bid 5 asked)			
31	25	*	...	Do. pref.	....	(25 bid 29⅜ asked)			
35⅜	25	60c+$1	.	Amer. Cyn. B.	....	(— bid 43 asked)			
92	40	*	...	Asbestos	2739	52½	64⅜	57½	60
16	8⅜	80c	6.4	Assoc. Brew.	20	12	12½	12½	12½
111	106	7	6.3	Do. pref.	5	111	110½	110½	110½
6½	6½	*	...	Assoc. T. & T.A.	....	(— bid 6½ asked)			
87	37½	1.68+84c.		Do. pref.	....	(41 Sept. 11)			
102½	100	5.50	5.5	Ault & Wiborg pf.	....	(100 bid 101 asked)			
				B					
60	55	2.25	3.8	Bank of Canada	74	58	58½	57½	58½
161½	153	8	5	Bk. Can. Nat.	37	159	161	158½	158½
245	192	8	4.1	Bk. Montreal	125	193	195	193	193
340	290	12	4.1	Bk. N. Scotia	73	294	300	290	300
273	234½	10	4.3	Bk. Toronto	51	239	243	234½	234½
8	6	*	...	Barcelona	....	(5 bid 7½ asked)			
15	7	96c	13.7	Barker's Bread	....	(— bid 10 asked)			
48	36	2.50	6.9	Do. pref.	....	(36 bid 45 asked)			
24⅜	9½	*	...	Bathurst Pr.	2672	10	12½	10½	11⅜
12½	3⅜	*	...	Do. (B)	4	5	5	4	4
5⅜	1½	*	...	Bawlf Grain	155	1½	1⅜	1⅜	1⅜
38	16	*	...	Do. pref.	....	(17 Sept. 8)			
10	1½	*	...	Beath & Sons	....	(1½ bid 2 asked)			
21½	13	*	...	Beatty Bros. A.	100	15	14½	14½	14½
112	99	6	5.9	Do. pref.	4	101½	102	101½	101½
105	95	7	7	Do. 2nd pref.	5	100	100	100	100
10	4	*	...	Beauharnois	3723	6⅜	7½	6½	6⅜
107	100	4	3.8	Belding Cort.	....	(— bid 107 asked)			
130	123½	7	5.6	Do. pref.	....	(130 bid — asked)			
178	154	8	4.9	Bell Telephone	943	160	162	160	160
16⅜	9	25c	...	Biltmore Hats	5	9	9	9	9
110	109½	7	6.4	Do. pref.	....	(100 bid 120 asked)			
13	8½	*	...	Bissell, T. E.	....	(6 bid — asked)			
70	40	*	...	Do. pref.	20	55	60	60	60
6⅜	4	*	...	Blue Ribbon	47	4½	4	4	4
40	30	2	6.2	Do. pref.	2	33	32	32	32
29⅜	23	1.30	5.4	Brant. Cord. pf.	100	23⅜	24	23⅜	24
30½	10⅜	90c	...	Brazilian Tr.	77112	15⅜	17½	10⅜	12⅜
9½	4½	2.40+10■		Brew. & Distill.	131	5½	6	5	5½
6½	6	30c	5	Bright, T. G.	....	(6 bid 6½ asked)			
†82	75½	6	...	Do. pref.	....	(75 bid 80 asked)			
28½	16	1+20c	5.8	Brit. Amer. Oil	3219	20	21	20	21
22	10	*	...	B. C. Packers	10	10⅜	10⅜	10⅜	10⅜
39½	29	2	6.1	B. C. Power A.	470	34	33⅜	32⅜	33
11½	4½	*	...	Do. (B)	25	6½	6½	5⅜	5⅜
12	2	*	...	Bruck S. Mills	230	4	4⅜	4	4
74½	40	2+75c	...	Building Prod.	185	40⅜	43	41	43
19	12½	60c	4.9	Burlington Steel	100	13	12½	12½	12½
8	2½	25c	...	Burry Biscuit	....	(2 bid 3½ asked)			
60	35	3	8.3	Do. pref.	18	36	36	36	36
44½	30	2	6.1	Burt, F. N.	10	32	33	33	33
				C					
105	100		...	Calgary Power	....	(85 bid — asked)			
92	79	6	7.2	Do. pref.	45	80½	83	82½	82½
10½	3½	*	...	Canada Bread	....	(3½ bid 5 asked)			
103½	99⅜	5	5	Do. pref.	....	(— bid 97 asked)			
59½	42	2.50+25c▲		Do. pref. B	....	(— bid 48 asked)			
10½	7	80c	9.4	Canada Bud	125	7⅜	8½	7½	8½
23	7⅜	*	...	Canada Cement	3765	8½	9⅜	8	9
111	85	4.50	...	Do. pref.	19	95½	94	88	94
82½	60	1.50+2	5.2	C. & D. Sugar	25	60	68	68	68
b38½	9½	*	...	Canada Dry	13700	14½	16½	14½	14½
20⅜	10	*	...	Can. Forg. (A)	425	14	15	14	15
18	14		...	Do. (B)	....	(13 bid 14 asked)			
35	30	*	...	Can. Iron	....	(35 bid — asked)			
72	66½	4	5.7	Do. pref.	....	(— bid 80 asked)			
39	30½	1.50+50c	6	Can. Malting	400	34½	34½	34	34
29½	16½	1.20	6	Can. Nor. Pr.	210	20	20½	19	20
112	108	7	6.5	Do. pref.	1	108	108	108	108
98	66	3	4.2	Can. Packers	....	(68 bid 72 asked)			
7	1⅜	*	...	Can. Paving, pf.	....	(1⅜ bid 6 asked)			
160	140	8	5.5	Can. Perman.	9	144	145	144	144
25	6½	6	...	Can. Starch	....	(6 bid — asked)			
105	105	7	6.7	Do. pref.	....	(105 Apr. 22)			
7	2	*	...	Can. Steamsh's	208	3	3½	3	3½
18½	8½	*	...	Do. pref.	104	9⅜	10	9⅜	9⅜
21	16	1.20	6.6	Can. Vinegars	25	18	18	18	18
79	50	*	...	Can. W. Cable	18	63⅜	65	60	60
34	19	*	...	Do. (B)	305	23½	22½	21	22½
18	114	6.75▲	...	Do. pref.	....	(116 Apr. 13)			
6½	3	*	...	Can. Bakeries	....	(3 bid — asked)			
73	47	*	...	Do. pref.	....	(— bid 40 asked)			
11	156⅜	8	5.1	Can. Bk. Com.	241	161	160½	156⅜	158½
4	1½	*	...	Can. Breweries	755	1½	1⅜	1½	1½
23½	12	2	12.5	Do. pref.	75	16	17½	16	16
31½	35	1.50+75c.		Can. Bronze	....	(— bid 38 asked)			
0	101	5	4.8	Do. pref.	....	(101 bid — asked)			
9½	3	*	...	Can. Canners	163	5⅜	5½	5	5
0½	17	1	5.7	Do. 1st pfd.	360	17½	17½	17	17½
2½	6½	60c	6.5	Do. 2nd pfd.	....	(9 bid 10 asked)			
1⅜	8½	*	...	Can. Car & Fd'y	3940	9	10½	9½	9½
2	12½	1.75+50c▲		Do. pref.	745	22	22½	21	21
1	15⅜	1.60	8	Can. Celanese	255	20	20	19⅜	20
	108	7	6.5	Do. pref.	15	108	109	108	108
	19	*	...	Do. rights	....	(19 bid — asked)			
	10	*	...	Can. Convert	26	11	11	11	11
	65½	4	4.9	Can. Cottons	....	(80 bid 80 asked)			
	105	6	5.6	Do. pref.	....	(108 bid — asked)			
	29⅜	2+1	8.6	Can. Dredge	40	35	35½	34⅜	35½
	101	6	5.8	Can. Fairb., pf.	....	(100 bid — asked)			
	17	1.60+40c		Can. For. Inv.	70	20½	18	18	18
	105	8	7.6	Do. pref.	....	(105 bid — asked)			
	195	6	3	Can. Gen. Elec.	....	(— bid 198½ asked)			
	7½	50c	5.5	Can. G. Inv.	20	7½	9	9	9
	3⅜		...	Can. Ind. Ale	1430	5½	5⅜	5⅜	5⅜
	3½	*	...	Do. (B)	1165	4	4	4	4
	200	6.75	3.3	Can. Indust. B.	....	(190 bid 193 asked)			
	151	7	4.4	Do. pref.	....	(158 Nov. 1)			
	1⅜		...	Can. Int. I. Tr.	....	(1 bid 2 asked)			
	70	5	7.2	Do. pref.	....	(— bid 80 asked)			
	15½	1	6.2	Can. Lt. & Pr.	....	(16 Sept. 21)			
	5	*	...	Can. Locomo.	75	9	8½	8	8
	1		...	Can. Marconi	6070	1½	1½	1½	1½
	10	50c	3.7	Can. Oil	20	12	13½	13½	13½
	112	8	7.2	Do. pref.	....	(115 bid 116 asked)			
	7	*	...	Can. Pacific	5355	8½	8½	7⅜	8
	1	*	...	C. Pr. & Pa. In.	61	2½	2½	2½	2½
	8	*	...	Do. pref.	....	(7 bid — asked)			
	2	*	...	Can. Vickers	95	4½	4½	4½	4½
	10	*	...	Do. pref.	5	20	20	20	20
	24	1	...	C. Wallpaper A	....	(10 bid 20 asked)			
	24	1	...	Do. (B)	....	(10 bid 20 asked)			
	62	2	3.2	Can. West'ho'se	....	(62 Aug. 14)			
	1⅜		...	Can. Wineries	330	3	3½	3	3
	19⅜	1.50+1▲	.	Can. Wire Box	15	19⅜	19⅜	19⅜	19⅜
	1.00		...	Capital Estates	261	4.25	3.60	3.50	3.50
	97⅜	5	5	Carnation, pfd.	25	97⅜	99	99	99
	4	50c	...	Catelli Food	10	4½	4	4	4
	8	75c	9.4	Do. pref.	105	8	8	8	8
	.25		...	Celtic Knit.	....	(1.25 bid — asked)			
	75	8	4.6	Cent. Can. L'n.	....	(175 bid — asked)			
	.40	*	...	Chem. Research	1200	.60	.55	.54	.54
	.65	*	...	City Gas & El.	5	.65	.75	.75	.75
	.20		...	Claude Neon	....	(.25 bid — asked)			
	.75	1.20	8.7	Coast Brew.	35	14.00	13.75	13.75	13.75
	7½	*	...	Cockshutt Plow	170	8½	9	8½	8½
	.25		...	Comm. Alcohol	75	1.60	1.70	1.65	1.70
	2½	10c	...	Do. pref.	....	(3½ bid 3⅜ asked)			
	16	1+20c	7.3	Cons. Bakeries	195	17½	16½	16½	16½
	6		...	Cons. Paper	14974	7⅜	8⅜	7⅜	8½
	2½	75c	...	Cons. Press	95	14	15	14	14
	7		...	Cons. Sand, pf.	....	(— bid 65 asked)			
	5	50c+$1	.	Cons. Smelters	8103	52½	54½	51⅜	53⅜
	2	10	5	Consumers' Gas	70	197	198	196	197
	9	7	7.4	Corr. P. Box, p.	....	(87 bid 90 asked)			
	0	1	5	Cosmos Imp.	25	21	20	20	20
	3	5	4.8	Do. pref.	....	(103⅜ bid 105 asked)			
		80c	4.1	Crown Cork	....	(14½ bid — asked)			
			...	Crown Dom. Oil	....	(2½ bid 2⅜ asked)			
		3	...	Crow's N. Coal	10	45	35	35	35
				D					
		25c	...	David & Fre. A.	....	(2½ bid — asked)			
		*	...	Do. (B)	....	(— bid 1½ asked)			
		*	...	De Havilland	....	(5½ bid — asked)			
		*	...	Do. pref.	....	(— bid 60 asked)			
		*	...	Disher Steel	....	(3½ bid 3⅜ asked)			
			...	Do. pref.	....	(8 bid 11⅜ asked)			
		50c	...	Distill-Seagram	18700	15⅜	18½	16⅜	17
		5	6.7	Do. pref.	120	72	75	75	75
			..	Dom. Ang. Inv.	....	(— bid 90 asked)			
		5+3.75▲	..	Do. pref.	....	(90 bid — asked)			
		10	5	Dom. Bank	132	202	200	196	198
		1.20	3.9	Dom. Bridge	660	30	31½	29½	31
		1.50	8.3	Dom. Coal, pf.	207	18½	18½	18	18½
			...	Dom. Engineer.	....	(— bid 48 asked)			
		50c	...	Dom. Foundries	20	30	28	28	28
		6	6.1	Do. pref.	....	(98 Oct. 23)			
		5	5	Dom. Glass	150	100	100	100	100
		7	4.8	Do. pref.	60	145	145	145	145
			...	Dom. Oilcloth	....	(32½ bid — asked)			
		7	6.7	Dom. Rubber, p.	....	(95 bid — asked)			
			...	Dom. Scot. Inv.	....	(2 bid 3⅜ asked)			
		.50	...	Do. pref.	20	38½	35	35	35
		*	...	Dom. St. & C. B.	14460	13½	14½	13½	13⅜
		*	...	Dom. Stores	833	6	6	5⅜	5⅜
			...	Dom. Tar & Ch.	1221	6½	7½	6	7½
		.50	6.6	Do. pref.	10	84	83	83	83
		5	6.7	Dom. Textile	145	74	74½	72	72
		7	5.2	Do. pref.	....	(140½ bid — asked)			
		*	...	Donnacona P. A.	640	7½	8½	7⅜	8½
		*	...	Do. (B)	150	7	7⅜	7⅜	7⅜
		*	...	Dryden Paper	190	8	9	8	8½
				E					
		*	...	East Koot. Pr.	....	(1½ bid 3 asked)			
		*	...	Do. pref.	....	(5 bid 9 asked)			
		*	...	East. Dairies	....	(1½ bid 1½ asked)			
		*	...	Do. pref.	....	(5½ bid — asked)			
		*	...	East. Steel	....	(16⅜ bid 17⅜ asked)			
			6.4	Do. pref.	....	(100 bid 109 asked)			
			10	East. Theat. pf.	100	65	70	70	70
			...	Easy Washing	....	(4 bid 5 asked)			
			...	Economic Inv.	....	(30 bid 36½ asked)			
		0+60c		Electrolux	1507	14⅜	15½	14½	14½
8½	2	*	...	Enam. & Heat.	....	(2 bid — asked)			
40	28	62½c	...	English Electric	....	(29 bid — asked)			
16⅜	10	*	...	Do. (B)	....	(3 bid 14 asked)			
8	5	*	...	Equitable Life	100	5½	5½	5½	5½
10½	7⅜	30c	...	European El. A.	....	(6½ bid 8⅜ asked)			
.65	.65	*	...	Do. Warrants	....	(.15 bid — asked)			
				F					
13	3	*	...	Fairchild Air	435	5½	5½	5	5
35	24	*	...	Fam. Players	....	(18 bid 20 asked)			
34	22	*	...	Do. Vot. Tr.	....	(22 bid — asked)			
25½	16½	75+25c	..	Fanny Farmer	975	20½	21⅜	20½	21½
10½	10		...	Fleet Aircraft	....	(— bid 6 asked)			
29⅜	14⅜	1	5.5	Ford Motors A.	3714	17⅜	18½	17½	17⅜
2.50	.75	*	...	For. Pr. Secs.	51	.75	1.00	.75	.75
31	9	*	...	Foundation Co.	835	11½	14½	11⅜	14
50	12½	*	...	Fraser Cos.	180	16½	18	16½	17½
50	13⅜	*	...	Do. Vot. Tr.	3215	16⅜	19	16⅜	17½
52	32	*	...	Freiman, pf.	....	(32 bid 40 asked)			
11½	6	*	...	Frost Steel	....	(11⅜ bid — asked)			
126	100	7+19.25▲		Do. pref.	85	107½	107½	107½	107½
55⅜	40	*	...	Do. pref. (A)	....	(55 bid — asked)			
				G					
14	4⅜	*	...	Gatineau Pr.	986	9½	10	9	9⅜
76	55	*	...	Do. pref.	264	67	71	68	71
18½	8	*	...	Gen. St. Wares	2085	9½	10½	9½	10½
110	70		...	Do. pref.	56	70	79	85	90
97½	72½	2.50+2.50		Goodyear Tire	85	79	79½	77	77
57	52½	2.50	4.6	Do. pref.	50	53⅜	55	53⅜	54
26⅜	7	*	...	Gt. Lakes Pap.	455	10	11½	10½	11½
53⅜	23½	*	...	Do. pref.	656	29	33½	30	31½
5	2	*	...	Gt. W. Sadd'y	....	(— bid 3 asked)			
40	18	*	...	Do. pref.	....	(15 bid 20 asked)			
15½	7	30c	...	Gurd. Chas.	65	8	8	8	8
105	95	7	6.7	Do. pref.	....	(105 bid — asked)			
18½	5½	*	...	Gypsum, Lime	1705	7	7	6½	6½
				H					
22⅜	22⅜	1	4.4	Halifax Fire	....	(22⅜ Oct. 15)			
18½	5	*	...	Ham. Bridge	15	8	9	8½	9
90⅜	54	*	...	Do. pref.	....	(— bid 59 asked)			
40½	30	2	6.7	Ham. Cot., pf.	....	(32 bid 35 asked)			
3⅜	1½	*	...	Ham. U. Theat.	....	(1½ bid 2 asked)			
69	58⅜	6	9.5	Do. pref.	....	(— bid 65 asked)			
7	3½	20c	...	Harding Carpet.	....	(3⅜ bid 3⅜ asked)			
5	2½	*	...	Hillcrest Coll.	....	(2 bid — asked)			
25	15	*	...	Do. pref.	....	(— bid 24 asked)			
22½	14	1	6.2	Hinde & Dauch.	30	15⅜	16½	16	16½
20	14	*	...	Holt Renfrew	....	(20 bid — asked)			
76	56	*	...	Do. pref.	....	(— bid 75 asked)			
1.75	.40	*	...	Honey Dew	....	(.45 bid .55 asked)			
15	7½	*	...	Do. pref.	....	(6½ bid 10 asked)			
34½	13	*	...	H. Smith Pap.	930	16	17½	15½	16½
106	96	6	6	Do. pref.	....	(98 bid 100 asked)			
32⅜	25	2	7.7	Humberstone S.	10	25	26	26	26
19	11	*	...	Hunts (A)	40	11	11	11	11
18	11	*	...	Do. (B)	100	14	11	11	11
95	68	4	5.7	Huron & E. Mt.	....	(73 bid 75 asked)			
15½	7½	*	...	Do. 20% pd.	60	8½	8	7½	7½
13½	4½	*	...	Hydro Electric	....	(4½ bid 5½ asked)			
				I					
251½	196	10	5	Imperial Bank	143	200	201	196	201
24⅜	14½	50+75c	6.7	Imperial Oil	12111	18	18⅜	18	18⅜
15½	12	40+22½c		Imperial Tob.	1453	13½	13½	13½	13⅜
7⅜	6⅜	6%	...	Do. pref.	....	(6 bid — asked)			
38⅜	24½	1.50+12½c		Indust. Accept.	138	26⅜	26	26	26
39½	25	1	...	Inter-City Bak.	75	25	25	25	25
46	37½	3+2	...	Inter'c Coal	25	43	43	43	43
130	125	8	6.4	Do. pref.	....	(125 bid — asked)			
.20	.20	*	...	Int. Coal & Co.	....	(.20 bid .25 asked)			
b16⅜	3	*	...	Int. Hyd. E. A.	34500	6⅜	8⅜	7	7⅜
18½	7	*	...	Int. Metal Ind.	65	8½	8½	8	8½
108	75	1.50	...	Do. pref.	....	(78½ bid 81 asked)			
105	97	5	5.1	Int. Mill., pf.	89	98	98	97	98
73½	39½	2+25c	5.1	Int. Nickel	32423	41⅜	45½	42½	44
11	3	*	...	Int. Paints	115	3½	3⅜	3½	3⅜
20	12	*	...	Do. pref.	....	(13 bid 15 asked)			
b19½	7½	*	...	Int. Pap. & P.	56000	12⅜	14⅜	12½	12⅜
b68½	36½	1.25+1.25▲		Do. pref.	38910	48	52⅜	43	47½
39⅜	23½	1.50+1	8.3	Int. Pete.	12720	29½	31½	29⅜	30
12½	4	*	...	Int. Power	10	4½	4½	4½	4½
98	76	6	7.6	Do. pref.	178	76	80	76	80
†15½	13	1.12	...	Int. St. Rly. A.	....	(— bid 15½ asked)			
21½	7	*	...	Int. Util. (A)	10	8	9½	9½	9½
3.12	.65	*	...	Do. (B)	1300	.85	1.05	.85	1.05
				J					
38	34½	1.75	4.8	Jam. Pub. Ser.	....	(33 bid 34 asked)			
132	130	7	5.4	Do. pref.	....	(130 July 2)			
				K					
39	11⅜	1	...	Kelvinator	10	13½	13	13	13
108	104½	7	6.7	Do. pref.	....	(105 bid — asked)			
				L					
87	39	*	...	L. St. John. Pr.	455	39	48	40	40
27	9	*	...	Lake Sulphite	115	13	13½	13½	13½
43½	10	*	...	Lake of Woods.	255	17	17	17	17
156	143	7+7▲	4.8	Do. pref.	....	(— bid 148 asked)			
75	55½	5	8.3	Landed Bank	....	(60 bid 65 asked)			
22	12	70c	5.4	Lang, J. A.	....	(13 bid 14 asked)			
6	4½	*	...	Langley's	....	(— bid 3 asked)			
65	30	*	...	Do. pref.	....	(26 bid 50 asked)			
77	58	3	4.4	Laura Secord	90	65	68	67	68
15	4	*	...	Lindsay, C. W.	....	(5 bid 8 asked)			
78	66	*	...	Do. pref.	....	(— bid 71 asked)			
25⅜	22	1+12½c	4.8	Loblaw (A)	465	23⅜	24	23	23
23⅜	19½	1+12½c	5.2	Do. (B)	320	21⅜	21⅜	21	21½
				M					
1.00	.65	*	...	Mackenzie Air.	....	(.55 bid .75 asked)			
9	8	*	...	MacKin. Steel	....	(5 bid — asked)			
64	60	*	...	Do. pref.	....	(60 Nov. 5)			
37½	13½	*	...	Maclaren Pr. p.	958	21	22½	20	20
4	1	*	...	M. L. Gardens.	5	1	2⅜	2⅜	2⅜
5	2½	*	...	Do. pref.	....	(5 bid 5½ asked)			
11	1	*	...	Maple Leaf	150	2½	2⅜	2½	2½
12⅜	3	*	...	Do. pref.	51	4	3⅜	3	3
17	15½	67½+10c	..	Maritime Tele.	....	(15½ June 25)			
16⅜	16	70c	4.3	Do. pref.	....	(16⅜ Oct. 23)			
†18	13		...	Marcus Loew's.	....	(— bid 20 asked)			
125	115	7▲	...	Do. pref.	....	(115 Oct. 28)			
16⅜	4½	*	...	Massey-Harris	2291	6½	7½	6½	6⅜
74	32	*	...	Do. pref.	660	40½	43	41	41½
15	8½	40c	3.7	McColl Fron.	1213	10	10⅜	9⅜	10⅜
101	84	6	6.7	Do. pref.	92	90	90	88	88
.11	.08	*	...	Do. Rights	13835	.10	.11	.10	.10
8	1½		...	Melchers	1	2	2	2	2
9½	5	30c	...	Do. pref.	105	6	7	6	6½
2	1½	*	...	Mercury Mills.	....	(2 bid 10 asked)			
40	17		...	Do. pref.	....	(— bid 20 asked)			
54	49	2	...	Mitchell, J. S.	....	(50 bid — asked)			
†110	110	7	...	Do. pref.	....	(112 bid — asked)			
30	7½	*	...	Mitchell, Robt.	550	10½	14	10½	13½
5½	4		...	Monarch Knit.	....	(— bid 4½ asked)			
86	50½	7+1▲	13.8	Do. pref.	....	(— bid 59⅜ asked)			
50	36	2	4.4	Montreal Cot.	....	(— bid 45 asked)			
110	100	7	6.7	Do. pref.	....	(100 bid 105 asked)			
2	1		...	Mont. Is. Pr.	26	1	2	2	2
37½	25½	1.50	5	Mont. L. & Pr.	1863	30½	30½	29½	29½
32	28	2	6.5	Montreal Loan.	....	(30 bid — asked)			
17	13	1	...	Mtl. Refrig. pf.	....	(— bid 17 asked)			
2	1⅜		...	Do. Vot. Tr.	....	(2 bid — asked)			
65	56	3.20	5.5	Montreal Tele.	....	(50 bid 58 asked)			
120	80	9	10.3	Montreal Trams	46	89	89	87	89
45½	25	1.00	5	Moore Corp.	125	33	33	32½	32½
190	140	7	4.7	Do. pref. (A)	5	150	146	146	146
207	195	7	2.6	Do. pref. (B)	....	(180 bid — asked)			
.25	.25	*	...	Muirheads	100	.25	.40	.40	.40
5½	3½	*	...	Do. pref.	....	(4½ bid — asked)			
				N					
42½	33	2	5.3	Nat. Breweries.	492	37⅜	38½	37½	38
43½	36	1.75	4.5	Do. pref.	20	38	38½	38½	38½
11	6		...	Nat. Grocers	235	7½	8½	7½	8
140	125	7+5.25▲	.	Do. pref.	20	125	128	128	128
21⅜	12½		...	N. Sew. Pipe A.	10	12½	12½	12½	12½
57½	17	50c	...	Nat. Steel Car.	1865	27	31	27½	29⅜
210	200	8	3.9	National Tr.	....	(203½ bid 207 asked)			
54	29	2	6.4	Niag. W. Weav.	235	32	32	31	32
4	1		...	North Star Oil.	....	(1⅜ bid 1⅜ asked)			
4½	3	35+8⅜c▲		Do. pref.	1	3½	3½	3½	3½
97½	96	5	5.2	N. S. L. & Pr.	....	(96 May 27)			
105	97½	6	5.7	Do. pref.	....	(101 bid — asked)			
37	9½		...	N. S. Steel. pf.	....	(— bid 20 asked)			
				O					
300	180	8	4	Ogilvie Flour	60	200½	205	200½	200½
168	150	7	4.6	Do. pref.	10	153½	165	165	165
112	106	5	4.7	Ontario Loan	13	109	106½	106½	106½
7½	4⅜		...	Ont. Silknit	....	(— bid 6 asked)			
71	64	7	10.9	Do. pref.	....	(— bid 57 asked)			
18⅜	10		...	Ont. Steel	....	(— bid 12 asked)			
115	96	7+23.50▲		Do. pref.	....	(— bid 97 asked)			
3.50	1.00	*	...	Orange Crush	....	(1.60 bid 1.75 asked)			
10	4	*	...	Do. pref.	5	5	5	5	5
31	30	*	...	Ottawa Car	....	(— bid 30 asked)			
100	80	6	7.2	Ott. L. H. & Pr.	10	80	83⅜	83⅜	83⅜
105	101	5	4.9	Do. pref.	....	(— bid 102 asked)			
24	19½	2	10	Ott. Traction	....	(20 bid 23 asked)			
				P					
110	80	3.75+25c.		Page Hersey	33	88	90	88½	90
9⅜	2⅜	*	...	Pantepec Oil	1050	5	5½	5½	5½
20	15		.	Paton Mfg.	....	(15 bid — asked)			
110	110	7	6.4	Do. pref.	....	(100 bid 101 asked)			
63⅜	57	3	5.2	Penmans	....	(— bid 58 asked)			
130	123½	6	4.8	Do. pref.	7	125	125	123⅜	123½
26½	18	1	5.1	Photo Eng.	....	(18 bid 19½ asked)			
103	98	7	7	Porto Rico Pr. p	....	(— bid 99 asked)			
33½	12	25c	...	Power Corp.	400	15	13½	14⅜	16
108	90	6	6.3	Do. pref.	11	97½	98	95	95
4⅜	2		...	Prairie C. Oil	50	4⅜	4½	4½	4½
36	21	2	9.5	Pressed Metals.	465	21	22	21	21½
53	15	*	...	Price Bros.	10790	17⅜	21½	18	19
79	49½	*	...	Do. pref.	300	52	53	50	52½
				Q					
25⅜	15	1	6.7	Quebec Power	495	16½	16	15	16
5	4	*	...	Que. Telephone	....	(4⅜ bid — asked)			
				R					
58	40	2	5	Real Estate L'n.	....	(40 bid 50 asked)			
11	7		...	Regent Knit.	....	(8⅜ bid 9 asked)			
25	19	1.60	6.4	Do. pref.	....	(24½ bid 25 asked)			
4	2	30c	10	Reinhardt Brew.	....	(2 bid 2⅜ asked)			
14½	4		...	Reliance Grain.	....	(4 bid 6 asked)			
29½	8½	90+15c●		Remington R'd.	....	(14⅜ Oct. 21)			
33	25	2	8	River S. Mills.	....	(25 bid 27 asked)			
8⅜	3½		...	Rogers Majest.	95	4½	4½	4½	4½
31	26	1	3	Rolland Pap.	....	(— bid 25 asked)			
33	18		...	Do. Vot. Trust	10	18	20	20	20
106½	102⅜	6	5.8	Do. pref.	....	(— bid 105 asked)			
11½	7½	25c	...	Root Petroleum	....	(— bid 10 asked)			
227	169	8	4.6	Royal Bank	349	176	177	169	169
78	56	4	...	Russell Motor	....	(60 bid — asked)			
118	102	7	6.4	Do. pref.	....	(— bid 110 asked)			
				S					
103½	95	5.50	5.5	Saguenay Pr. p.	55	99	99	98	99
22	7	*	...	Sarnia Br. (A)	....	(8 bid 16 asked)			
16	3	*	...	Do. (B)	....	(4 bid 5 asked)			
34	17½	80c	3.8	Shawinigan Pr.	1119	20⅜	20⅜	20	20½
30	14		...	Sher. Wms.	370	17	19	17	19
131	115	7	5.9	Do. pref.	....	(— bid 120 asked)			
2.00	1.00	*	...	Silverwoods	....	(1½ bid — asked)			
4⅜	3½	*	...	Do. pref.	400	4½	4	3⅜	3⅜
16	11	*	...	Simon & Son	....	(— bid 12 asked)			
110	100	10.50	...	Do. pref.	....	(110 bid — asked)			
110	83	5	5.7	Simpson, pf.	57	87	87	85	85
38	20		...	Do. (A)	....	(— bid 24½ asked)			
17	4		...	Do. (B)	5	6	5	5	5
122	107½	6	5.4	Simpson, R., pf.	1	110	110	110	110
18½	11⅜	80c	6.2	So. Can. Pr.	230	13	13	12½	12½
108	100	6	5.7	Do. pref.	18	105	106	105	106
15½	3⅜		...	St. Law. Corp.	2550	6	6⅜	5⅜	6½
39⅜	12	1	...	Do. (A)	1785	16	19½	16	17
26	20	1	5	St. Law. Flour.	....	(18 bid — asked)			
145	135	7	5.2	Do. pref.	....	(135 Aug. 11)			
98	43	*	...	St. Law. Pap. p.	935	51½	61	52	54
15⅜	8	*	...	Stand. Chem.	....	(8 bid 10½ asked)			
14½	8	*	...	Stand. Clay	....	(— bid 14½ asked)			
9½	2½	*	...	St. Pav. & Mat.	80	2⅜	2⅜	2⅜	2⅜
56	21		...	Do. pref.	....	(21 bid 23 asked)			
49½	36	3+3▲	6	Stand. Steel, pf.	....	(35 bid 45 asked)			
96½	52½	1.75‡	2.8	Steel of Can.	832	64⅜	64½	63	63½
98½	50	1.75	2.9	Do. pref.	....	(56 bid 59 asked)			
6	3½	*	...	Sterling Coal	....	(4 bid — asked)			
3.50	1.00		...	Stop & Shop	....	(.75 bid 1.00 asked)			
17	13	80c	6.2	Stuart, D. A. pf.	....	(13 bid 14⅜ asked)			
3	2½		...	Supersilk H. A.	25	3	2½	2½	2½
85	80	2.50	...	Do. pref.	....	(— bid 80 asked)			
39	31½	1+25c	3.9	Sup. Pete. ord.	....	(32 bid 35 asked)			
36	33	1+25c	3.6	Do. com.	....	(30 bid — asked)			
				T					
16⅜	13	80c	5.3	Tamblyn	40	14½	15	15	15
54	52	2.50	4.8	Do. pref.	....	(51½ bid — asked)			
2½	1⅜		...	Thayers	50	2½	2½	2½	2½
25	16½	2.50	...	Do. pref.	113	24	24	24	24
2	½	*	...	Thrift Stores	....	(1 bid 2 asked)			
8	5		...	Do. pref.	....	(2½ bid 6 asked)			
16	10	60c	4.8	Tip Top Tailors.	55	12	12½	12½	12½
110	104	7	6.5	Do. pref.	....	(105 bid 107½ asked)			
6	2		...	Tooke Bros.	....	(3 bid — asked)			
34⅜	10		...	Do. pref.	....	(10 bid — asked)			
46	17	2	...	Tor. Elevators	155	17½	18½	17	18½
52	46	2.62½	5.4	Do. pref.	35	48	48	46	47½
110	78	4	5.1	Tor. Gen. Tr.	15	83	83	78	78
126	110	6	5	Toronto Mtge.	....	(120 bid — asked)			
160	148½	7	4.7	Tuckett Tob. p.	....	(— bid 154 asked)			
18	9	*	...	Twin City	....	(— bid 10⅜ asked)			
				U					
19	11½	62½c	...	Union Gas	590	13½	14	13½	13½
28	15	75c	...	Un. Amuse. A.	....	(— bid 25 asked)			
27	24	75c	9	Do. (B)	....	(— bid 27 asked)			
1.15	.65		...	United Distill.	100	.90	.90	.90	.90
62½	30	4	...	United Fuel, pf.	20	36	39	38½	38½
25	15½	2	10.8	United Secs.	5	18½	18	18	18
11½	3	*	...	United Steel	1420	4½	4⅜	4½	4½
				V					
8	2	*	...	Viau Bisc.	....	(2⅜ bid — asked)			
60	40	5	12.5	Do. pref.	....	(40 bid — asked)			
				W					
35	19	1+15c	5.5	Wabasso Cot.	85	19	20	20	20
51½	31	2.50	5.6	Walker-Good.	4712	42⅜	44½	43	43
20	16½	1	5.5	Do. pref.	1451	18½	18½	18	18
3.50	1.00	*	...	Walkerville Br.	225	1.40	1.50	1.40	1.50
5	1½		..	Waterloo Mfg.	....	(1 bid 1½ asked)			
12½	3	*	...	West. C. Flour.	50	3	4	4	4
90	38		...	Do. pref.	....	(— bid 45 asked)			
71	57	3	5.3	West. Grocers	....	(— bid 70 asked)			
125	110	7	6.4	Do. pref.	....	(107 bid 115 asked)			
18½	9½	80+10c	..	Weston Ltd.	1121	10	10½	10	10
106½	87	5	5.5	Do. pref.	....	(85 bid 88 asked)			
8	4	*	...	Windsor Hotel	....	(— bid 5 asked)			
23	7	*	...	Do. pref.	....	(7 bid — asked)			
10½	2	*	...	Winnipeg El. A.	303	3½	3	2½	2⅜
10	1⅜	*	...	Do. (B)	300	3	2½	2⅜	2⅜
44	10		...	Do. pref.	25	15½	15	14	15
76	53	5.25▲	...	Wood, A. & J. p	....	(65 bid — asked)			
85	50	*	...	Woods Mfg. pf.	20	50	50	50	50
				Y					
5½	5	*	...	York Knitting	30	5½	5½	5½	5½

† 1936.
▲ On account of arrears.
‡ Plus extra of $2 paid Feb. 1, 1937.
● Plus stock bonus of 1% paid Jan. 2, and 1% Mar. 26, 1937.
■ Of which $2 is capital distribution.
b New York quotations.

Mining Stock Quotations

WEEK ENDED NOVEMBER 15

Par. Val.	Range 1937 High	Low	Company	Sales	Close Nov. 8 (or last)	High for week	Low for week	Close Nov. 15
1	.10½	.02	Afton	7,000	.02½	.03	.02½	.02½
No	1.90	.30	Aldermac	29,715	.45	.52	.45	.48
1	.04½	.01½	Alexandria	15,000	.01½	.02⅜	.01½	.02⅜
1	.31	.11	Amm. Gold	304,696	.24½	.31	.25	.25
No	8.75	3.40	Anglo-Huronian	1,192	3.50	3.65	3.50	3.65
1	1.42	.22	Argosy	8,095	.26	.30	.27½	.30
1	1.15	.18	Arntfield	6,600	.33	.33	.29	.30
No	.09	.02½	Arno	500	.03	.02½	.02½	.02½
1	.15	.05	Ashley	1,500	.06½	.06½	.06½	.06½
1	.27	.03	Astoria Rouyn	21,300	.03⅜	.04	.03½	.03½
50c	.16	.05½	Aztec	......	(.06 bid .10 asked)			
1	.49	.15	Bagamac	3,725	.21½	.20	.18	.18
1	1.85	.53	Bankfield	15,134	.66	.68	.63	.64
1	.65	.12	Base Metals	6,250	.17	.15	.14	.14
No	1.75	.96	Beattie Gold	12,050	1.28	1.37	1.24	1.28
1	.65	.19	Beaufor	11,200	.30	.30	.28	.29
1	1.70	.36	Bidgood Kirk	36,806	.52	.51	.45	.45
1	.72	.30	Big Missouri	5,850	.37	.40	.35½	.36
1	.29	.08	Bobjo	5,200	.11	.12	.10	.10
1	1.14	.10	Bouscadillac G.M.	8,300	.14	.14	.13	.13
No	9.00	6.40	Bralorne	1,965	7.80	7.95	7.85	7.85
1	.15	.03	Brazil Gold	......	(.03 bid ... asked)			
1	.21	.03	Brett Trethewey	17,500	.06	.06½	.05	.05½
1	.13	.02½	Brownlee	5,000	.03	.03½	.03	.03
1	12.50	8.25	Buffalo Ankerite	670	11.63	12.00	11.50	11.50
No	.06½	.92	Buffalo Can.	3,000	.02½	.02½	.02½	.02½
5	30.00	20.00	Bulolo Gold	1,700	28.00	28.00	27.00	27.00
No	.23	.10	Bunker Hill	43,050	.13½	.16	.13	.15
No	2.30	.85	Can. Malartic	19,650	1.04	1.06	.97	.97
1	1.75	1.30	Cariboo Gold	2,200	1.62	1.70	1.62	1.65
1	.47½	.11	Cartier Malartic	28,750	.13	.14	.12	.12
1	1.66	.46	Castle Trethewey	1,650	.60	.65	.64	.64
1	.65	.22	Cen. Cadillac	49,950	.36	.41½	.36	.36
1	.31	.04	Cen. Manitoba	17,000	.05	.05⅜	.04½	.04½
1	5.25	1.85	Cen. Patricia	27,920	2.55	2.75	2.50	2.55
1	.43	.07½	Cen. Porcupine	3,000	.10	.09½	.09	.09
No	1.47	.38	Chromium	3,825	.60	.60	.50	.50
5	10.00	2.00	Coast Copper	410	2.50	2.75	2.50	2.75
1	.03½	.01	Cobalt Contact	5,200	.01½	.01	.01	.01
5	3.50	1.75	Coniagas	600	1.84	2.06	1.75	2.00
No	2.14	1.00	Coniaurum	9,625	1.35	1.65	1.25	1.40
1	2.70	.20	Con. Chibougamau	8,150	.23	.25	.20½	.20½
25	100.50	45.00	Cons. Smelters	8,103	52.12	54.50	51.75	53.75
1	2.98	.12	Darkwater	34,300	.13½	.16	.12	.13
No	51.12	36.00	Dome Mines	3,168	47.25	47.50	45.12	46.00
1	.15	.03½	Dom. Explorers	2,000	.04½	.04½	.04½	.04½
1	1.22	.16	Dorval Siscoe	18,100	.21	.22	.18½	.18½
1	.15	.05	Duparquet	5,900	.06	.06½	.06	.06½
1	2.05	.60	East Malartic	26,175	.02	.98	.88	.90
1	3.65	1.45	Eldorado	4,575	1.75	1.85	1.76	1.82
No	12.87	4.70	Falconbridge	4,330	4.95	5.30	5.00	5.20
1	.54	.06½	Federal	29,000	.11	.11½	.09½	.11
No	1.59	.34	Francoeur Gold	13,300	.41	.43	.39	.39½
1	.30	.03½	Glenora	24,300	.06	.05½	.05	.05
1	.65	.12	Gillies Lake	56,450	.16½	.17½	.15	.15½
No	1.02	.40	God's Lake	7,850	.54½	.56	.53	.53
1	.49	.15	Goldale	2,100	.18	.18	.17	.17
50c	.39	.12	Gold Belt	1,000	.25	.30	.30	.30
1	.68	.22	Gold Eagle	8,500	.39	.36	.30	.32
1	.22	.07½	Goodfish	25,300	.09½	.10	.09	.09½
1	.63	.06	Graham Bosquet	3,200	.08	.07½	.07	.07½
1	.57	.05½	Granada Gold	2,133	.08	.08	.06½	.06½
No	.18	.04	Grandora	3,000	.05½	.04½	.04½	.04½
1	.18½	.07	Grull Wihksne	3,500	.07½	.08	.08	.08
1	1.25	.55	Gunnar Gold	23,250	.80	.87	.80	.85
1	.07	.02	Halcrow Swayze	500	.03	.02½	.02½	.02½
1	3.44	.73	Hard Rock	17,925	1.03	1.10	1.02	1.03
1	.35	.08	Harker	33,450	.12	.14	.11	.12
5	15.50	9.75	Hollinger	5,577	12.50	12.50	12.12	12.50
1	.72	.21	Howey Gold	12,350	.30	.30	.26	.29
No	41.75	15.75	Hudson Bay	2,910	19.50	23.00	19.75	21.00
1	19.25	7.00	Inter. Mining	25	8.50	9.37	9.37	9.37
No	73.25	39.50	Int. Nickel	32,423	41.75	45.50	42.25	44.00
1	.54	.24	Jacola	12,934	.25½	.29	.25	.27
1	1.61	.34	Jack Waite	1,700	.40	.45	.44	.45
1	2.15	.60	Jellicoe	116,120	.88½	.96	.86	.91
1	.59	.17	J. M. Cons. Gold	12,200	.22	.25	.21	.21
1	3.30	1.40	Kerr Addison	43,502	1.75	1.84	1.71	1.71
1	.65	.30	Kerr Lake	100	.37	.30	.30	.30
1	.55	.18	Kirk Gold Rand	1,925	.23	.20	.18	.18
1	2.65	.75	Kirk. Hud. Bay	1,550	1.06	1.10	1.05	1.10
1	1.70	.90	Kirkland Lake	32,750	1.27	1.30	1.22	1.22
1	.55	.15½	Kirk. Townsite	700	.16½	.19	.18	.19
1	1.10	.25	Laguna	2,000	.43	.42	.40	.41
1	59.50	45.25	Lake Shore	3,593	52.00	52.12	50.00	51.50
1	.28	.03	Famaque Contact	18,900	.04	.04	.03	.03½
1	1.33	.33	Lapa Cadillac	42,300	.46	.57	.45	.55
1	1.30	.73	Lava Cap	7,265	.99	.96	.91	.96
1	.30	.10	Lebel Oro	22,566	.15	.16½	.14½	.16½
1	.07½	.01½	Lee Gold	2,000	.02	.02	.02	.02
1	1.35	.35	Leitch Gold	17,250	.67	.70	.67	.67
No	8.40	4.00	Little Long Lac	2,760	4.85	5.05	4.75	4.75
1	8.60	3.70	Macassa	7,822	5.25	5.25	5.00	5.10
1	1.26	.46	Madsen Red Lake	116,025	.57	.60	.46	.47
1	.04⅞	.01	Malrobic	37,900	.01½	.01½	.01	.01½
No	.69	.12	Mandy	2,400	.15	.15	.13	.13
No	.16	.02	Man. & Eastern	5,700	.02½	.02½	.02½	.02½
1	.36	.08	Maralgo	4,862	.09	.10	.09½	.09½
5	42.25	30.00	McIntyre	1,678	37.50	37.87	35.00	35.75
1	2.03	.85	McKenzie R. L.	21,050	1.12	1.18	1.08	1.13
1	.65	.25	McKinley	......	(.51 bid .70 asked)			
No	4.85	.80	McLeod Cockshutt	42,737	1.03	1.14	1.01	1.02
No	1.21	.24	McWatters	6,500	.41	.42	.35	.35
1	.57	.12	McVittie	6,000	.14	.14	.13	.14
No	5.00	1.30	Mining Corp.	4,815	1.65	1.85	1.73	1.73
No	.33½	.03½	Minto Mines	7,450	.03½	.04½	.04	.04
1	.08	.01½	Moffatt Hall	......	(.01½ bid .02 asked)			
1	.88	.16	Morris Kirk	28,900	.16	.22½	.16	.20½
1	1.97	.95	Moneta	34,055	1.78	1.87	1.80	1.80
1	.45	.10	Montague	100	.17	.20	.20	.20
1	.10	.02½	Murphy	3,000	.02½	.02⅞	.02½	.02½
1	1.05	.20	Naybob	88,450	.37	.39	.34	.35
No	.12	.02½	Newbec	6,000	.03	.03	.02½	.03
1	1.49	.25	New Golden Rose	2,350	.34	.35	.30	.30
5	3.60	1.55	Nipissing	1,025	2.00	2.00	1.91	1.91
No	83.00	36.75	Noranda	6,771	45.50	49.50	46.00	48.00
No	.95	.60	Nor. Canada	......	(.61 bid .70 asked)			
1	.16½	.02½	Norgold	4,500	.03½	.03½	.03	.03
1	2.23	.60	Normetal	4,370	.70	.75	.60	.62
1	13.25	2.45	O'Brien	106,445	4.55	5.70	4.40	5.35
1	1.28	.30	Omega	13,400	.45	.45	.41	.42
1	2.20	.85	Oro Plata	14,900	1.15	1.19	1.05	1.12
1	.30	.08½	Osisko	......	(.05 bid .20 asked)			
No	4.05	1.90	Pamour	13,215	2.90	3.05	2.90	3.00
1	1.10	.20	Pandora	15,250	.41	.44	.40	.42
1	.42	.06	Parkhill	37,514	.09	.09	.06	.08
1	3.80	1.70	Pato Cons. G.	200	2.40	2.40	2.30	2.40
1	.41	.05	Partanen Mal.	2,000	.07	.07	.06½	.07
1	.06	.01½	Pawnee Kirk.	500	.01½	.01½	.01½	.01½
1	.46	.08	Paulore	17,700	.10½	.18	.12	.13
1	1.38	.33	Paymaster	20,300	.45	.47	.43	.43
1	.35	.15	Payore	9,050	.18	.20	.18	.20
1	6.60	1.25	Pend Oreille	21,490	1.65	1.90	1.65	1.73
1	2.51	.50½	Perron Gold	47,685	1.15	1.35	1.13	1.17
1	.03⅞	.01	Peterson Cobalt	1,000	.01	.01	.01	.01
1	9.20	4.10	Pickle Crow	10,996	5.55	5.70	5.50	5.55
1	6.85	2.35	Pioneer Gold B.C.	6,650	3.45	3.55	3.25	3.25
1	17.50	12.00	Placer Development	......	(15.00 bid 17.00 asked)			
1	2.20	.75	Powell Rouyn	20,950	1.29	1.31	1.26	1.29
1	4.50	1.50	Premier Gold	3,630	2.29	2.34	2.13	2.15
1	1.47	.52	Preston E. Dome	45,350	.94	1.08	.91	.93
No	2.00	.95	Prospectors Air's.	3,500	1.00	1.20	.95	1.14
1	.88	.27	Quebec Gold	......	(.37 bid .50 asked)			
No	.48	.06	Quemont	......	(.08½ bid .10 asked)			
1	6.85	2.25	Read Authier	9,430	3.45	3.55	3.25	3.30
1	2.00	.20	Red Crest	19,800	.44	.47	.35½	.41
1	1.78	.16	Red Lake	16,950	.22	.23	.20½	.21
1	1.35	.57	Reno Gold	30,990	.81	.80	.57	.57
1	1.52	.25	Reeves McDonald	500	.32	.40	.40	.40
1	.22	.06	Reward	11,500	.06½	.06½	.06	.06½
1	.16	.02	Ritchie	20,550	.02½	.02½	.02½	.02½
1	.12½	.01½	Robb Montbray	37,000	.01½	.02	.01½	.02
1	.48½	.07	Roche Long Lac	9,400	.10	.10	.09½	.09½
1	2.40	1.19	San Antonio	6,350	1.48	1.60	1.42	1.42
1	1.13	.29	Shawkey	23,000	.40	.39	.35	.35
50c	1.00	.57	Sheep Creek	4,400	.94	.96	.93	.93
1	4.00	.90	Sherritt Gordon	26,281	1.20	1.45	1.25	1.35
1	6.65	2.53	Siscoe	21,397	3.70	3.70	3.40	3.45
1	2.50	.74	Sladen Malartic	17,500	.94	.98	.88	.90
1	2.50	.18	Slave Lake	12,300	.20	.25	.20	.20
No	2.90	.36	Stadacona	71,820	.42	.43	.39	.40
1	.32	.12	St. Anthony	27,300	.17	.17	.15	.15
No	.15½	.09½	Straw Lake	9,700	.13½	.14	.11½	.11½
No	6.90	1.75	Sudbury Basin	2,375	2.50	2.75	2.50	2.55
1	.40½	.09	Sudbury Contact	6,600	.13	.17	.13½	.14
1	2.25	.80	Sullivan Cons.	7,390	1.07	1.07	1.02	1.02
1	4.80	2.50	Sylvanite	5,625	3.15	3.30	3.05	3.05
1	.29	.03	Tashota	40,000	.04	.04	.03	.03½
1	6.10	4.25	Teck Hughes	8,920	5.15	5.35	5.10	5.10
1	2.15	.25	Thomp. Cadillac	67,200	.35	.42½	.33	.37
1	.65	.16	Temiskaming	8,000	.21	.21	.20	.20
1	4.60	1.79	Toburn Gold	630	2.29	2.30	2.25	2.25
1	2.00	.38	Towagmac	6,650	.40	.50	.45	.48
1	2.60	.20	Treadwell	400	.45	.45	.30	.30
1	1.10	.50	Uchi Gold	35,400	.80	1.04	.80	.93
No	9.10	3.30	Ventures	3,140	4.75	5.00	4.65	4.90
No	4.65	1.00	Waite Amulet	19,392	1.25	1.45	1.35	1.35
No	.05	.01½	White Eagle	2,000	.01⅞	.01⅞	.01½	.01½
1	.30	.05	Whitewater	......	(.06 bid .08 asked)			
1	.17	.03	Wiltsey Coughlan	1,500	.03	.03	.03	.03
1	.77	.20	Wood Cadillac	119,910	.33	.45	.33	.40
No	8.20	5.80	Wright-Hargreaves	13,695	7.60	7.60	7.10	7.20
No	.53	.18	Ymir Girl	2,500	.23	.20½	.20	.20
			OIL STOCKS					
No	.20	.09	Acme Gas & Oil	2,500	.09⅞	.09½	.09	.09
1	.95	.18	Alta Pac. Cons.	690	.27	.27½	.27½	.27½
No	1.50	.95	Anglo C. Develop.	2,050	1.30	1.50	1.30	1.35
1	.57	.22½	Ajax	1,000	.35	.31½	.31	.31
1	1.10	.11	Br. Dominion	1,500	.16	.15	.15	.15
No	.65	.23	Brown Oil	25,800	.27	.38	.23	.32
100	75.00	60.00	Do., pref.	55	60.00	60.00	60.00	60.00
No	6.55	1.15	Calgary & Ed.	7,285	1.75	1.85	1.70	1.75
No	.95	.15	Common Pete	4,000	.25	.23	.21½	.22
No	3.60	.35	Dalhousie	1,075	.55	.60	.50	.55
No	.40	.20	Davies Pete	8,200	.25	.27	.25	.28
No	.45	.09	East Crest	48,900	.14½	.13½	.12½	.13½
25c.	.25½	.13	Firestone Pete	12,700	.17	.21	.17	.20½
No	3.25	.30	Foothills	......	(.45 bid .60 asked)			
No	1.20	.16½	Foundation Pete	7,600	.18	.19	.17	.18
No	.36	.15	Hargal	......	(.15½ bid .24 asked)			
No	.19	.10	High Sarcee	25	.12	.10	.10	.10
No	4.05	.80	Home	6,465	1.08	1.10	1.05	1.05
1	.87	.21	Homestead O. & G.	3,300	.27	.27	.25	.25½
No	.70	.35	Hunter Valley	......	(.35 Aug. 20)			
No	.16	.05	Do., Warrants	......	(.... bid .08 asked)			
No	.90	.10	Lowery	......	(.... bid .15 asked)			
No	.63	.12	Mercury	500	.14½	.15	.12	.12
No	.44	.10	McD. Segur Ex.	1,500	.16⅞	.16	.16	.16
No	.39	.06	Merland	2,500	.06	.06	.06	.06
1	1.15	.30	Model	600	.35	.35	.35	.35
25c	.56	.21	Monarch Royal	3,000	.23½	.23	.22	.22
5	.49	.14	Nordon	3,900	.16	.17½	.15	.15
No	.12	.03½	Oil Selections	2,500	.04	.04	.04	.04
No	4.10	.65	Okalta	750	.89	.88	.86	.86
No	.12	.01	Olga Gas & Oil	2,700	.03	.03	.02½	.03
1	.43½	.08	Pacalta	31,000	.10½	.11	.08	.09½
1	.70	.40	Petrol Oil & Gas	......	(.40 bid .60 asked)			
25c.	.30	.14	Prairie Royalties	6,000	.26	.27	.25	.27
No	60.00	24.00	Royalite	2,100	32.25	35.00	32.00	34.12
No	2.00	.40	South West Pete	100	.40	.40	.40	.40
No	.19	.05	South End	......	(.06 Nov. 2)			
1	.63	.22	Spooner	......	(.... bid .25 asked)			
No	2.35	1.00	Texas Can.	10,000	1.35	1.35	1.30	1.30
No	.70	.11½	United Oil	500	.14	.14	.14	.14
No	2.25	.85	Vulcan	500	1.05	1.10	1.00	1.00
No	.36½	.25	West Flank	500	.30	.28	.28	.28

VANCOUVER STOCK EXCHANGE

Par. Val.	Range 1937 High	Low	Company	Sales	Close Nov. 8 (or last)	High for week	Low for week	Close Nov. 15
50c.	.15	.05	Aztec	......	(.06½ bid .08 asked)			
20c.	.04	.01	Beaver Silver	......	(.01 Nov. 6)			
1	.70	.32	Big Missouri	4,100	.38	.38	.36	.36
25c.	.07½	.01	Bluebird	1,000	.01½	.01	.01	.01
No	9.00	6.10	Bralorne	3,410	7.80	8.05	7.90	7.90
1	.07½	.02	Tridge River Cons.	......	(.02 bid .03 asked)			
50c.	.19	.05	B. R. Mountain Gold	......	(1.05 Aug. 12)			
1	.40	.08	B. C. Nickel	1,500	.10	.10	.10	.10
1	3.85	1.60	B. C. Silver	......	(2.00 Nov. 5)			
50c.	.04½	.02	Canadian Rand	......	(.02 July 20)			
1	1.79	1.30	Cariboo Gold	1,375	1.61	1.65	1.61	1.64
1	.14	.02½	Congress Gold	2,000	.02½	.03	.02½	.03
25c.	.05	.00½	Cork Province	......	(.00½ bid .01½ asked)			
1	1.75	.25	Calmont	4,450	.37	.38	.34	.34
No	.27	.08	Dentonia	2,000	.11	.09½	.09	.09
1	.05	.02	Dunwell	5,500	.04	.05	.04	.04
No	.18	.03	Fairview Amal.	5,000	.05½	.05	.04½	.04½
1	.06½	.01	Federal Gold	6,000	.02	.02	.01⅞	.01⅞
1	1.43	.20	George Copper	......	(.20 bid .... asked)			
50c.	.06½	.02½	George Enterprise	......	(.01½ bid .03½ asked)			
1	.05	.00½	Georgia River	......	(.01 bid .... asked)			
1	.29	.05	Golconda	2,500	.06½	.06½	.06½	.06½
50c.	.37	.11½	Gold Belt	2,550	.30	.32	.30	.30
50c.	.43	.02	Gold Mountain	2,500	.02½	.02½	.02½	.02½
50c.	.30	.07	Grandview	11,500	.07½	.10	.08	.10
1	.18½	.06	Grull Wihksne	1,500	.08	.09	.08½	.08½
No	.06½	.00½	Haida Gold	38,800	.06½	.07½	.05	.05
No	.13	.01	Hedley Sterling	......	(.02½ bid .03½ asked)			
No	.04½	.01½	Home Gold	......	(.01½ bid .02 asked)			
1	.08	.01½	Indian Mines	......	(.01½ bid .02 asked)			
50c.	1.18	.55	Island Mountain	3,500	.77	.77	.71	.71
1	.24	.21	Inter'l Coal	......	(.21 bid .23 asked)			
1	.00½	.02½	Inter'l Gold	14,500	.03	.03	.02½	.02½
50c.	1.15	.71	Kootenay Belle	2,050	1.05	1.07	1.05	1.07
20c.	.07	.01½	Koot. Florence	......	(.01½ bid .01½ asked)			
1	.03½	.00½	Lakeview	7,000	.01	.01	.01	.01
10c.	.19	.01½	Lucky Jim	62,000	.02½	.03	.02½	.02½
No	.07½	.02	Mak Siccar	......	(.... bid .02 asked)			
1	.20	.15	McGillivray Creek	......	(.10 bid .... asked)			
50c.	.08	.01	Meridian Min.	......	(.... bid .01 asked)			
5c.	.17	.02½	Metaline	......	(.08 Sept. 22)			
No	.38	.03½	Minto Mines	30,500	.03½	.04½	.03½	.03½
50c.	.15½	.04	Nicola	21,000	.05½	.05½	.05½	.05½
50c.	.17	.03½	Noble Five	4,500	.04	.05	.05	.05
1	6.75	1.30	Pend Oreille	1,850	1.60	1.88	1.72	1.72
No	.07½	.01½	Pilot Gold	6,000	.01½	.01½	.01½	.01½
1	6.75	2.00	Pioneer Gold	2,015	3.45	3.55	3.25	3.25
50c.	.15	.03½	Porter Idaho	1,500	.04	.03½	.03½	.03½
No	.06½	.01	Premier Border	3,000	.01½	.01⅞	.01½	.01½
1	4.80	1.60	Premier Gold	4,775	2.25	2.20	2.13	2.13
1	.15	.02⅞	Quatsino Copper	2,000	.02⅞	.03	.03	.03
25c.	.17	.05	Quesnelle Quartz	1,000	.06½	.06½	.05	.06½
1c.	.05½	.01½	Reliance	10,000	.01½	.02	.01½	.01½
1	.37	.12	Relief Arlington	1,000	.18	.18	.18	.18
No	1.90	.30	Reeves McDonald	1,100	.32	.38	.37	.37
1	1.31	.61	Reno Gold	7,250	.81	.78	.61	.61
1	.20½	.05	Reward Mining	8,800	.06½	.06½	.06	.06½
1	.09½	.01½	Rufus Argenta	2,000	.01½	.03	.03	.03
1	.11½	.03½	Ruth Hope	1,000	.02	.02	.02	.02
1	.12	.04	Sally Mines	......	(.05 bid .... asked)			
50c.	.15	.05½	Salmon Gold	500	.07½	.07½	.07½	.07½
50c.	.95	.58	Sheep Creek	5,800	.94	.95	.93	.93
No	.14½	.04	Silvercrest	......	(.02 bid .... asked)			
20c.	.10	.01	Silversmith	5,000	.01⅞	.01⅞	.01⅞	.01⅞
1	.63	.23	Standard Silver	......	(.34 bid .39 asked)			
1	.75	.15	Sunloch	......	(.11 bid .... asked)			
10	21.00	19.75	Sunshine	......	(19.75 Apr. 6)			
No	.13	.03½	Taylor Bridge	......	(.04 bid .05 asked)			
No	1.05	.15	Vidette Gold	7,100	.22	.21	.15	.16
No	.06½	.00½	Viking Gold	38,000	.01	.02	.01½	.01½
50c.	.03	.00⅞	Waverley Tangier	5,000	.00⅞	.00⅞	.00⅞	.00⅞
20c.	.13½	.01½	Wellington	3,000	.02½	.02½	.02½	.02½
50c.	.50	.10	Wesko	1,900	.12	.10	.10	.10
1	.42	.05	Whitewater	7,000	.07	.07	.06½	.07
No	.50	.21	Ymir Yankee Girl	......	(.... bid .21 asked)			
1	1.09	.18	Alta. Pac. Cons	2,400	.27½	.28	.26	.26
1	.14½	.05	Amalgamated	5,500	.07	.07	.07	.07
No	.45	.05	Associated Oil	......	(.06 bid .... asked)			
1	.04	.00½	Anaconda	2,400	.07	.08	.06½	.06½
No	.24	.03	Baltac	1,000	.03	.03	.03	.03
1	1.05	.15	Brit. Dominion	......	(.14 bid .19 asked)			
No	6.50	1.35	Calgary & Ed.	5,875	1.75	1.80	1.70	1.75
1	.80	.15	Commonwealth	4,850	.26	.25	.23	.24
1	1.84	.32	Calmont	1,600	.38	.35	.35	.35
1	.13	.04½	Crow's Nest	8,500	.05	.05	.04½	.04½
No	3.55	.40	Dalhousie	......	(.53 bid .... asked)			
No	.36	.21	Davies Pete	......	(.26 bid .... asked)			
No	.45	.12	Eastcrest	......	(.12 bid .... asked)			
No	.96	.17	Foundation Pete	600	.22	.19	.17½	.17½
No	.44	.04½	Freehold	4,000	.06	.06	.05½	.06
No	.40	.10	Hargal	......	(.15½ bid .... asked)			
No	.91	.12	High Sarcee	......	(.11 bid .... asked)			
No	4.10	.80	Home Oil	2,050	1.10	1.10	1.05	1.05
No	.88	.09	Lowery Pete	......	(.09½ Nov. 3)			
No	.35	.04	Madison	13,500	.05½	.05	.04½	.04½
No	.50	.05½	Marion Oil	2,000	.06½	.07	.06½	.06½
No	.78	.14½	McD. Segur Ex.	......	(.17½ bid .17½ asked)			
1	1.60	.25	McLeod	......	(.... bid .30 asked)			
No	.88	.44	Mercury	500	.15	.14	.14	.14
No	.39	.06½	Merland	......	(.06 bid .07½ asked)			
No	.65	.09	Mill City Pete	700	.11	.09½	.09	.09½
No	.85	.07½	Midwest Pete	......	(.07½ Sept. 10)			
1	1.15	.31	Model	......	(.32 bid .... asked)			
25c.	.53	.22½	Monarch Royal	......	(.21½ bid .23 asked)			
5	.48	.14	Nordon	500	.20	.16	.16	.16
No	4.60	.70	Okalta	750	.86	.92	.90	.90
No	.44	.10	Pacalta Oil	......	(.10 bid .11 asked)			
25c.	.25	.24	Prairie Royalties	......	(.27 bid .29 asked)			
No	59.00	27.25	Royalite	67	33.00	34.00	33.00	34.00
	.75	.19	Spooner	......	(.25 Sept. 3)			
	.72	.11½	United	11,400	.14	.14	.12½	.12½
	.38	.04	Vanalta	500	.05½	.04	.04	.04
	3.05	.74	Vulcan	2,250	1.03	1.05	1.02	1.02
	.80	.28	West Flank	......	(.30½ bid .... asked)			

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

November 16, 1937

Public Utility Issues	Int. Rate %	Due	Bid Nov. 16	Asked	Bid Nov. 9
†Assoc. Tel. & T.	5½	'55	73	76	76
Beauharnois P.	5½	'73	63	66	61
‡Bell Telephone	5	'57	118	121	117½
B. C. Power	4½	'60	98	101	98
B. C. Tele.	4½	'61	104	107	103
‡Calgary Pwr.	5	'60	94½	97½	94
†Can. Nor. Pwr.	5	'53	103	103	103
‡Dom. Gas & El.	6½	'45	78	81	78½
‡Gatineau Pwr.	5	'56	102½	105½	102
†Do., A	6	'41	100	103	100
‡Inter. Hydro-E.	6	'44	65½	62½	64½
‡Inter. Power	6½	'57	97	100	98½
†Macl'n-Que. Pr.	5½	'61	101	104	100½
†Mtl. L., H. & P.	3½	'56	100	103	99½
†Mtl. Tramways	5	'41	100	103	100
N. S. Lt. & Pr.	4	'57	97	100	97
†Ottawa V. Pwr.	5½	'70	104	107	104
†Power Corp.	4½	'59	99	102	98
Que. Pwr.	4	'62	95	98	94½
Saguenay P., B	4½	'66	102	105	102
Shaw. W. & Pr.	4	'61	99	102	98½
Wpg. Elec., A	4	'65	61	64	61
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	66	69	65
B. A. Oil	4	'45	102	...	102
Brown & Co.	5½	'46	76	79	75
Canada Bread	6	'41	107	110	107
Canada Cement	4½	'51	102	105	101½
Canada Paper	4½	'52	96	99	96
Can. Steamship	5	'57	75½	78½	74½
Can. Canners	4	'51	98	101	98
‡Can. Inter. Pap.	6	'49	98½	101½	98½
C. P. R.	3½	'51	91	94	91
Do.	4	'49	94½	97½	94½
Do.	4½	'44	99	102	99
Do.	6	'42	105½	108½	104½
Do., debs.	4 perp.		86	89	87½
†Consol. Paper	5½	'61	49	52	48
▲Dom. Stl. & C.	6½	'55	97½	100½	97
Dom. Tar	4½	'51	100	103	100
†Donnacona P.	4½	'56	75½	78½	76
Famous Players	4½	'51	96	99	95½
†Federal Grain	6	'49	81	85	80½
†Fraser Cos.	6	'50	100	103	100
†Gen. Steel W.	4½	'52	91½	94½	91½
Great Lakes P.	5	'55	93½	96½	92½
†Gypsum, Lime.	5½	'48	98	101	98
Lake St. John P. & P.	5½	'61	96	99	96½
†Massey-Harris	5	'47	95	98	95
†McColl-Front.	6	'49	103½	106½	102½
‡M. & O. Paper	6	'45	41½	44½	41½
Price Bros.	5	'57	99	101	98
‡Prov. Paper	5½	'47	102	...	101
†Restigouche C.	6	'48	99	102	99
Simpsons Ltd.	4½	'51	93½	96½	93½
Smith, Howard	4½	'51	102	105	101½
†Steel of Canada	6	'40	109	112	109
Union Gas	4½	'50	98	101	98

‡Payable in Can. or U. S. †Payable in Can., U. S. or U. K. ▲Payable in Can. or U. K.

Taking Stock of Wheat

Problems Alleviated But Not Solved by Liquidation of Carryover — National Policy for Canada is Outlined by Grain Authority

Complete liquidation of Canada's slim wheat supply within the next few months and concluding sessions of the Turgeon grain inquiry again focus attention on Canada's wheat future.

In the last three years world surpluses have disappeared but present potential acreage is the largest since the war.

It is time for taking stock.

In view of these radically altered conditions and our recent experiences with drought, what is Canada's best wheat policy? In the accompanying article a well-known Canadian grain expert gives his opinion.

Canada's wheat problems have been alleviated, but not solved in the past two years. From a burdensome carryover of 214 million bushels at the end of July, 1935, Canada's wheat stocks were reduced to 37 million bushels at the end of July, 1937. This was accomplished through a steadfast policy pursued by the Murray Canadian Wheat Board installed by the Government of Canada in the late fall of 1935.

The work of the Board was assisted by Providence in the small crops produced in Canada and other principal exporting countries in the years 1935, 1936 and 1937. Great credit must be given Mr. Murray for never permitting himself nor his Board to waver from the object of advantageously selling Canada's wheat when buyers were available. He did not succumb to the temptation of speculating on what yields Providence might put forth in future crops when engaged in disposing of surplus supplies on hand.

Fluctuating Commodity

Through the Wheat Board headed by J. R. Murray, Canadian wheat was allowed to find its true intrinsic value to the millers of the world. Depending on relative qualities and relative supplies, Canadian wheat has fluctuated widely in selling price compared with the price of wheats of other countries. In the early months of 1936 Argentine wheat sold above Canadian. At that time there was scarcity of Argentine wheat compared with the volume of Canadian supplies. As Canadian stocks were reduced and new supplies of Argentine wheat became available this position was again reversed. On Nov. 8, 1937, the Liverpool c.i.f. price of Manitoba No. 1 Northern was quoted at 161½ cents per bushel while Argentine new crop (January-February shipment) was quoted at 127; Russian sample wheat (November shipment) at 119¼ and Australian new crop (December shipment) at 128⅝. This will give some indication of the need for Canada avoiding excess carryover of wheat. Overseas millers consider Manitoba No. 2 Northern wheat, with normal supplies available, to be worth approximately nine cents over Argentine's highest quality wheat.

World shipments of wheat and flour declined from a high of 928,120,000 bushels in the 1928-29 season to 494,232,000 bushels in the 1935-36 season. In the 1936-37 season shipments were 595,384,000. With return to normal crops throughout both northern and southern hemisphere exporting countries, Canada will again be faced with the problem of finding markets for her wheat unless the economic policies and conditions in such countries as Italy, France, Germany, Japan and China relating to wheat imports are changed. It is true that the Murray Wheat Board instituted measures to regain lost markets for Canadian wheat. These measures, besides making Canadian wheat available at competitive world prices, included sending emissaries to the principal wheat consuming markets of the world seeking the maximum use of Canadian wheat in flour blends, and later instituting a well-directed advertising campaign in the British Isles. Partial solution of Canada's wheat problem will ultimately come with the return of world shipments of wheat and flour of from 700 to 800 millions of bushels annually.

Overproduction Remedy

After facing the problem of disposing of surplus stocks of wheat, and having successfully accomplished the sale of these stocks without involving the Dominion Treasury in the tremendous losses that appeared inevitable early in 1935, Canadians might well consider whether or not there is again danger of overproduction. That is always a possibility and as long as there is such a possibility Canada's wheat problem is not permanently solved. On the other hand, the whole economy of western Canada is built upon the production and sale of wheat.

There is nothing else to which the great majority of farmers can turn. If western Canada is to prosper it must remain in the wheat business. There will be wide fluctuations in production such as the crop of 544,598,000 bushels raised from 23,158,000 acres in 1928 to the estimated crop of 164 million bushels raised from 24,599,000 acres in 1937. If Canada is fortunate in having a bumper crop at a time when other principal wheat growing countries have relatively smaller crops there should not be great difficulty in disposing of the crop, but if Canada reaps a large crop in common with all other countries she will be in the midst of a wheat surplus problem again. However, the laws of Nature and of supply and demand, if allowed to function, have seen to it all through past history, that supplies of wheat have not for long exceeded demand.

Drought Damage

A great question in the minds of many persons is as to whether the areas of western Canada which have suffered from drought for the past nine years have become a great desert and whether they are capable of again producing a crop. The best answer to this is the crop produced in the so-called dry areas of the United States this year. All that was needed to produce a growth was sufficient rainfall. The same applies to the dry area of southwestern Manitoba where a bountiful harvest was reaped this year after nine years of drought, pest and soil drifting. Given average rainfall at the right time during the growing season western Canadian land will again produce as much wheat as it ever did, and possibly more as the good earth has stored up growing energy in these dry years in which it has not been called upon to produce heavy plant growth. Western Canada will continue to have its cycles of drought and heavy rainfall. The probability of sudden major change in climatic conditions is most remote.

Government's Place

There are farm leaders who would again plunge the Government headlong into the wheat business. There are also among politicians those who would indirectly offer taxpayers' money for the votes of the adherents of those "farm planners." Experience has taught us that government in the wheat business has no proper affinity. Government in so far as wheat is concerned should be limited to supervision of the grading and weighing of grain and supervision of trading on the exchange to ensure the farmer against any possibility of market manipulation.

Governments must assist in locating of new and holding of established markets through trade treaties. In the event of price debacle through temporary overproduction there is a place for the Government in lending reasonable temporary protection to the producer in order to permit him to adjust himself to prevailing conditions.

Increased yields, improved quality and lower production costs, coupled with a reasonable margin of profit are the four great factors in the success of wheat farming in western Canada. Far too little stress has been laid on the first three factors by farm leaders. The first three factors normally take care of the fourth factor but unfortunately they do not receive the same amount of public acclaim. Yield, quality and production costs are factors (barring weather) that are within the control of the farmer. Price trends can neither be controlled by farmer nor Government. True a government can subsidize domestic prices but it cannot control world prices. Government in the wheat business when extended beyond supervision of physical handling, is useful in assisting the farmer in educational methods in seed selection, increasing yields and improving quality. It can do much in assisting to lower costs through itself practising economy, thereby lowering taxes and by eliminating tariffs on goods which the farmer must buy.

Future Lies in Wheat

In the four factors outlined in the previous paragraphs, coupled with return to predepression volume of world wheat shipments, also lies the solution of Canada's wheat future. Western Canada's past was built on wheat. Its future lies in wheat. Canada must guard and hold its markets with high quality wheat produced at the lowest cost possible. Canada must let other wheat growing and consuming nations know that she will produce and sell high quality, low-cost wheat in competition with the world. Canada must never again put herself in the position of standing by while other nations capture wheat markets.

We must let other exporting nations know that we are capable of producing quality wheat at competitive prices and let the peoples of what are normally wheat importing countries know that it is to their advantage to return to the producing of goods which they are more suited to produce than wheat. When the world fully understands this, great expansion of wheat acreage in other countries is unlikely and curtailment a possibility.

Cotton Lesson

We must not put ourselves in the position of the United States cotton grower. There, for a temporary government handout, the cotton growers have seen other nations increase their cotton acreage and take away the markets from the States. What applies to cotton applies equally to wheat.

There are well defined areas into which the Government should, and should not, enter in the wheat business and that of other crops produced throughout the world. The Government can be of service in assisting the farmer to improve quality and yield. Dominion and provincial governments are already doing this extensively and successfully through agricultural colleges and experimental farms located throughout Canada. Several of the larger country elevator companies including the Searle Grain Company, The Alberta Pacific Grain Company, Federal Grain Limited, National Elevator Company, Limited, British America Elevator Company, Midland & Pacific Grain Corporation, Home Grain Company and Northern Elevator Company are operating a crop testing plan for the improvement of farmers' crops and are active in distributing high-grade seed.

Market Supervision

A further field for government in the grain business is checking the weighing and grading of grain. This service has been performed by the Dominion Government for many years and today one hears little complaint in this respect. The Board of Grain Commissioners employs 689 inspectors to grade the farmers' grain as it passes through inspection points and 217 weighmen are employed in terminal elevators to check the weighing of grain. In addition the Federal Department of Weights and Measures is constantly checking scales in country elevators.

One recommendation which the Turgeon Royal Grain Commission will possibly make will be a reiteration of the suggestion made by the Stamp Royal Commission on trading in grain futures that there might be a Dominion Government official act as supervisor of the Winnipeg Grain Exchange. This proposal has been endorsed by the North-West Grain Dealers Association, which organization is composed of line country elevator companies. This is a field into which the Government might venture in order to convince the farmers that nothing is carried on before or behind the scenes in the Grain Exchange inimical to his interests.

Can't Control Prices

When the Government steps beyond these regulatory and scientific phases of grain handling and production it ventures into troublesome and unknown waters. In 1930 the Governments of the Prairie Provinces, like King Canute, attempted to stem an uncontrollable tide. These Governments felt that with great financial resources at their command they could stem the downward trend of wheat prices. They failed as did the United States Government after spending almost a half billion dollars in a similar attempt. The provinces prevailed upon the Dominion Government to step into the breach and the Dominion wound up by owning all the wheat in the country and by seeing wheat go to the lowest prices in modern history. There is ample evidence that a field into which the Government should not venture is the business of handling and marketing Canada's wheat crop.

The futility of subsidy to encourage acreage reduction is written in the experience of the U. S. cotton administration. The effect of storing and withholding grain from market is written in Canada's grain price records.

Government Bonds

Dominion of Canada Bonds

Nov. 17, 1937			Bid	Asked	Approx. Yld.
2	15 Oct.	'38	100.25	100.75	1.25
2	1 Jan.	'39	100.65	101.15	1.00
1	1 June	'39	99.00	99.50	1.37
2	15 Nov.	'39	100.25	100.75	1.60
2½	15 Oct.	'39	101.15	101.65	1.61
4	15 Oct.	'39	103.75	104.25	1.74
1½	1 June	'40	98.90	99.40	1.76
4½	1 Sept.	'40	106.15	106.65	2.04
1	15 Mar.	'41	96.65	97.15	1.86
5	15 Nov.	'41	109.15	109.65	2.45
2	1 June	'42	98.65	99.15	2.20
3	15 Oct.	'42	102.65	103.15	2.32
2½	1 June	'43	99.85	100.35	2.43
5	15 Oct.	'43	111.00	111.50	2.88
2¼	15 Jan.	'44	98.25	98.75	2.47
4½	15 Oct.	'44	109.65	110.15	2.87
2½	15 Nov.	'44	98.25	98.75	2.70
2½	15 Aug.	'45	98.50	99.00	2.65
4	15 Oct.	'45	105.50	106.00	▲2.90
4½	1 Feb.	'46	109.75	110.25	3.08
3¼	1 June	'49	99.65	100.15	▲3.23
3½	15 Oct.	'49	101.35	101.85	▲3.20
3¼	15 Nov.	'51	99.25	99.75	3.27
5	1 May	'52	111.35	111.85	▲2.22
4	15 Oct.	'52	105.35	105.85	▲3.31
3	1 June	'55	96.00	96.50	3.26
4½	1 Nov.	'56	109.00	109.75	▲3.24
4½	1 Nov.	'57	109.25	110.00	▲3.32
4½	1 Nov.	'58	109.85	110.35	▲3.37
4½	1 Nov.	'59	110.15	110.65	▲3.41
4	1 Oct.	'60	107.25	107.75	▲3.26
3¼	15 Jan.	'61	98.75	99.25	3.30
3¼	1 June	'66	98.15	98.65	3.32
3	15 Jan.	'67	93.15	93.65	3.33
3	Perp. bonds		85.85	86.35	3.48

Dominion Guaranteed Bonds

Canadian National Railway:					
2	1 May	'38	100.00	100.50	.98
2	15 Feb.	'43	97.50	98.00	2.40
3	1 May	'44	100.50	101.50	2.75
3	15 Dec.	'50	95.50	96.50	3.33
3	15 Feb.	'53	95.00	96.00	3.33
*4½	1 Sept.	'51	112.75	113.75	3.27
*4½	1 Feb.	'56	113.25	114.25	3.45
†4½	1 July	'57	112.75	113.75	3.53
*4¾	15 June	'55	115.25	116.25	3.52
5	1 Feb.	'54	116.00	117.00	3.62
*5	1 July	'69	115.25	116.25	▲2.98
*5	1 Oct.	'69	117.75	118.75	▲3.42
*5	1 Feb.	'70	117.75	118.75	▲3.46

Provincial Government Bonds

New Brunswick:					
3½	15 June	'56	93.00	95.00	3.87
†4½	15 Apr.	'61	102.50	104.00	4.23
†5	15 Jan.	'60	107.50	109.50	4.33
Nova Scotia:					
3	2 Jan.	'52	93.25	94.50	3.49
3½	1 May	'46	99.50	100.75	3.40
†4½	15 Sept.	'52	107.50	108.75	▲3.45
†5	1 Mar.	'60	114.50	116.50	3.89
Ontario:					
3	1 Dec.	'51	95.50	96.50	3.30
*4	1 June	'62	105.00	106.50	3.60
4½	1 June	'50	109.50	110.50	3.48
*4½	15 Jan.	'62	112.00	114.00	3.63
5	15 Oct.	'48	113.50	114.50	3.41
*5	2 Dec.	'60	117.50	119.00	3.77
5½	1 July	'46	115.00	116.00	3.35
Ont. Hydro. Comm.:					
3½	1 Apr.	'47	101.00	102.00	3.25
4¾	1 Jan.	'70	115.50	117.00	3.83
Prince Edward Island:					
3	1 Oct.	'45	97.00	98.50	3.21
Quebec:					
3	1 Nov.	'51	95.00	96.00	3.36
3¼	1 July	'49	98.00	99.00	3.35
4	15 Mar.	'52	104.50	106.00	3.47
4¼	1 Aug.	'58	107.50	109.00	3.63
4½	2 Jan.	'63	109.00	111.00	3.82
Alberta:					
4	15 Dec.	'54	51.00	52.50	§
4½	1 Oct.	'51	60.50	63.50	§
†4½	1 Oct.	'56	52.00	53.50	§
*5	1 Oct.	'59	55.00	57.00	§
†5½	1 Apr.	'52	56.50	58.00	§
6	1 Mar.	'47	61.00	63.00	§
British Columbia:					
†4	1 Dec.	'57	89.50	91.00	4.60
*4½	15 Jan.	'51	95.00	96.25	4.87
†4½	1 Oct.	'53	95.00	96.00	4.86
†5	25 Apr.	'54	99.25	100.25	4.98
5½	1 Feb.	'45	101.00	102.25	5.12
6	15 Feb.	'47	102.00	103.50	5.51
Manitoba:					
†4	1 Dec.	'57	84.00	85.50	5.15
†4½	15 Dec.	'56	86.00	87.50	5.56
*5	2 Dec.	'59	91.00	93.00	5.55
5½	1 Oct.	'55	93.50	95.00	5.95
6	1 Apr.	'47	98.00	99.00	6.14
Saskatchewan:					
4	15 Aug.	'53	61.50	64.50	7.97
4	1 Nov.	'60	60.00	62.50	7.42
†4½	1 Oct.	'51	73.50	75.50	7.33
†4½	15 Mar.	'60	64.00	66.00	7.70
5	1 Aug.	'58	67.50	70.00	7.96
5½	1 Oct.	'52	73.50	76.00	8.33
6	15 Mar.	'52	76.50	78.00	8.70

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ■Payable N.Y. ♦Callable on or after Sept. 15, 1966. §Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%. ‡Payable Can. & £.

A. J. PATTISON Jr. & CO. Ltd.
Established 1907
CORPORATION SECURITIES
Royal Bank — EL. 5101
TORONTO

Unlisted Mines

Nov. 16, 1937
MONTREAL

	Bid	Ask.		Bid	Ask.		Bid	Ask.
Abbeyville	.14	.17	Franklin	.01	.01½	Porc. Lake	.14	.16
Amity	.01	.02	Golden Gate	.44	.48	Red Gold	..	.11
Bousquet	.01	.01½	Grace Larder	.09	.11	Richmac	..	.20
Brown Cadillac	.06½	.07½	Halliwell New.	.45	.47	Routhier	.11	.13
Brooke Cad.	..	.21	Heva Cadillac.	.09	.10	Schreiber	..	.05
Cap. Rouyn	.07½	.07¾	Lacoma	.09½	.10	Scott Chib.	..	.10
Central Dev.	..	.11	Lakehill	.02½	.04	Seguin	.02½	.03
Chibmac	.05	.06	Lake Rowan	.26	.29	Shawmaque	..	.15
Cierno	..	.16	L. L. Lagoon	..	.07	Skookum	..	.04
Dempsey Cad.	.03½	.05	Leroy	.05	.06	Stadore	..	.25
Descar	..	.20	Margaret	..	.20	Wawbano	.02	.04
Dorval Units	12.00	15.00	Obalski	.10	.12	West Duv.	..	.10
Fontana	.17	.18	Pan. Cdn.	.13	.15	Westwood Cad.	.13	.15

Municipal Bonds

November 17, 1937

	Rate	Due	Bid	Ask.	Yld.
†Halifax	5	1961	112.00	114.00	4.08
Hamilton	5	1950	110.40	112.40	3.75
Montreal	5	1946	104.00	106.00	4.05
Ottawa	4½	1945	106.25	108.25	3.25
†Quebec	5	1959	104.00	106.00	4.57
Saint John	5	1950	106.50	108.00	4.22
†Toronto	4½	1955	111.00	113.00	3.50
†Vancouver	5	1950	87.00	91.00	6.03
Winnipeg	5	1944	98.00	102.00	4.64

†Payable Can. and N. Y.

United Farmers Earnings Higher

Dividend Earned By Good Margin—Liquid Position Improves

Net profits of 89.2 cents per share compared with 60.1 cents in the previous period feature the annual report of The United Farmers Co-operative Co. for the year ending Sept. 30. A dividend of 25 cents per share was paid Nov. 9, duplicating the 1936 payment.

Sales amounted to more than $10 millions, the same figure reported for the previous year. Net value of fixed assets is shown at $250,423, compared with $280,285, most of the difference being attributable to depreciation allowances of $25,124, approximately the same as in the previous year. Bank loans were reduced by $114,622, while accounts payable increased $23,674. Inventories increased by $14,589, while accounts receivable were reduced by $68,644.

The annual meeting of the company will be held in Toronto, Nov. 24, when a number of motions will be presented, three dealing with notice of and methods of voting at annual meetings, one proposing to reduce the number of directors to five, and one suggesting that the salaries and expenses of officers and directors be published.

Income and Surplus Account
Years Ended Sept. 30

	1937 $	1936 $
Net earnings	77,037	50,232
Less. Inc. tax reserve	14,010	7,100
Net profit	63,027	43,132
Add: Cont. res. reversed	10,000	......
Previous surplus	26,526	35,874
Less: Liquidation loss	*26,214	**17,450
Loss on sale	†11,379	......
Dividends	17,515	17,515
Surplus forward	44,445	26,526

*North Bay Creamery.
**Bruce Mines Creamery.
†Elevator at Burgessville.

Working Capital

	1937 $	1936 $
Current assets	616,595	647,464
Current liabilities	421,815	511,804
Working capital	194,780	135,660
Ratio	1.46—1	1.26—1

Co-operatives Move to Widen Scope in West

Saskatchewan Pool Gets Authority to Extend Its Investments

MAY ENTER MILLING

From Our Own Correspondent

REGINA. — The Saskatchewan wheat pool directors' resolution asking that the provincial act which extends their powers to co-operative movements generally be now proclaimed law, was passed by a 154 to 4 vote at the annual meeting. Now it is up to the lieutenant-governor by order-in-council to declare in force an act which saw some hostility against it when its terms were before a special committee of the Saskatchewan Legislature.

This law allows the wheat pool to invest its commercial reserves in any co-operative association incorporated by existing laws or special act of the federal or provincial parliaments.

Opposed by Retailers

Retail merchants and others were strongly opposed to extension of such power to the pool, believing it would seriously affect their livelihood in time to come. First reports were that the pool intended to go extensively into the insurance business but judging from what is transpiring the insurance business may become a factor but not for a good while yet.

Examination of the pool's future policy as presented to delegates at the annual meeting reveals the question of wider development of co-operative distribution the subject of much consideration. At the present time a joint committee of the pool and the Saskatchewan Co-operative Wholesale Society is making a survey of the co-operative field in an effort to determine best methods to be followed.

Further there is a close relationship now between the pool and the Livestock, Poultry and Saskatoon Dairy Pool which along with the Wholesale Society has set up a joint fund of more than $10,000 for organization of a field staff to advance general co-operative organization and education and deal with problems of specific pools when such need arises. This agreement has been in effect since April 1 of this year.

Another angle to be considered is acceptance by these organizations and the Manitoba Pool of the Saskatchewan Pool's publication "The Western Producer" as the official organ of the co-operative movement in western Canada. While the Producer is still being run at a loss, its total net paid circulation at July 31, 1937, was 106,019. Circulation two years ago was 78,900. With increased purchasing power on the prairies it is logical to assume that this circulation can be increased further.

Milling Question

The question of milling some of its own grain might also be considered part of the pool's co-operative policy as the board for the last year has studied the matter of operating small mills, but finds from its questionnaires that there is a divergence of opinion. The board itself is of the opinion that when the time comes for such operation acquisition of a large centrally located mill would be the proper thing to do. The board is apparently satisfied the large mill will prove the most economic unit.

Organization of a western agricultural conference has resulted in co-operative units of the four western provinces pooling their ideas and close contact is being maintained so that when time comes for dealing with national marketing legislation Manitoba, Saskatchewan, Alberta and British Columbia will be in a position to present their united views.

To sum up there is a well-defined movement toward extensive co-operative effort on the prairies and among certain organizations in British Columbia, and the Saskatchewan wheat pool organization is the king pin.

Week in Wheat

Buyers Are Waiting Definite Crop News

Conflicting Reports from Argentine Hold Wheat Purchasing to Low Levels — Extent of Recent Damage Undetermined

From Our Own Correspondent

WINNIPEG.—News, more or less conflicting, from maturing crops in the Argentine continues to dominate the wheat market. Reports of excessive rains in the northern districts where the grain is ripening prematurely and threat of frost elsewhere have kept prices firm but have not resulted in any large scale buying.

Recent estimates of total crop in that country have been revised considerably lower than earlier anticipations but overseas buyers continue to hang back, apparently waiting for more definite information. As yet there has not been full recovery in world markets from the effect of optimistic forecasts of Argentine yields earlier in the week. In the meantime Canadian exports buying after the spurt of ten days ago has fallen off.

U. S. South Dry

Weather continues extremely unfavorable throughout the greater part of the United States winter wheat belt. In most sections the soil is dry and seeded wheat is going back rapidly. In more limited areas an exactly opposite situation exists with such heavy rainfall that farmers are afraid of wheat going into the winter with too much top.

In any case it is generally conceded that the recent official warning from Washington of a possible billion bushel crop for next year was unnecessary. Unless heavy rains are received in this, a normally dry month for the southwest, heavy winter and blowing damage appears certain.

* * *

Rains in West

In contrast to the dry southern areas on weather maps of North America are the wet spring wheat districts of the north. Starting in Montana and North Dakota, from 50 to 75 miles south of the International border, well over normal rainfall is reported. This covers practically all the former dry areas in Saskatchekan. Of course, without additional rainfall during the growing season next spring and summer crops are not assured, but the fact that subsoil is now moist for the first time in three to five years has revived general confidence.

* * *

Argentine Damage

Wheat in the Argentine has now reached the same critical stage as occurs every June in western Canada. Recent fears of drought have given way to concern over too much sudden moisture in many districts. As a result rust has put in an appearance and considerable damage is threatened. Crop estimates continue to fluctuate, but generally have been revised sharply downward. In former dry and early areas the crop is ripening prematurely and here rain which came too late to help growth is now perversely retarding harvest.

* * *

Good Wheat Short

Although Canada's official visible wheat supply still stands at over 70 million bushels, with a fair portion of farmers' grain yet to come out, already there is an acute shortage of the higher grades. The bulk of the supply in commercial storage is probably now of durum, fall wheat and low-grade Northerns. As a result there have been small imports of milling wheat from the United States and much more is expected before new crop Canadian wheat will be available next summer. In addition a considerable import of American oats is also reported. This has been going largely to feed companies.

* * *

Lake Shipping Active

Lake rates are being maintained at 5 cents a bushel from the head of the lakes to Montreal. Instead of vessels of United States registry seeking business to Buffalo, they are kept busy with purely American traffic, and some Canadian vessels are employed in moving United States grain to Canadian lower lakes ports.

Flour Exports Shrink Again

Premium Wheat Prices and Foreign Competition Hit Millers

SHIP MORE WHEAT

Squeezed between premium prices on raw materials at home and unusually keen competition in foreign markets Canadian exports of flour continue to fall off rapidly. October exports were down fully a third from the same month two years ago and in 1934. Increased prices, however, have gone far to offset the decrease in volume with the trade last month valued at well over $2 millions or better than in 1934 and 1935 and only down a little from the much larger volume of October last year.

The fact, however, that prices for the first time in many months showed some evidence of decline last month, indicates that increased values cannot be expected to continue indefinitely to compensate shrinking volume. Average export price in October this year was four cents per barrel below September.

Drop 700,000 Barrels

For the last 12 months to the end of October Canadian millers exported 4¼ million barrels of flour valued at almost $24 millions. This is a drop of 700,000 barrels from a year ago, but a gain in value of almost $3.5 millions.

Decline in export flour shipments is mainly attributed to the fact that Canadian export mills must largely buy raw materials, at the present high premium wheat prices in this country whereas foreign competitors, British and American for the most part, are in a position to use 90% cheaper wheat mixed with 10% of the high priced Canadian. Due to the growing shortage of Canadian wheat this condition is expected to continue until a new and abundant supply of Canadian wheat is available.

Ship More Wheat

October wheat exports as was indicated by weekly figures show a considerable rise over the previous month. Cumulative for the 12 months ended October, however, are only a little more than half of the year previous, due to first, the extremely short crop this year and secondly to the fact that a year ago considerable old carryover was still being exported in addition to the current crop.

Details are as follows:

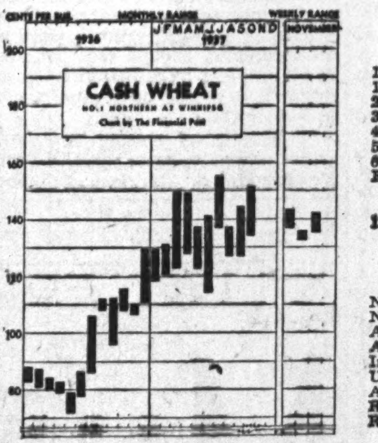
Flour Exports

October:	Quantity Barrels	Value $	Average Export Price $
1934	485,549	1,922,491	3.96
1935	501,442	2,009,200	4.00
1936	464,013	2,106,920	4.54
1937	336,478	2,024,618	6.02
Sept., 1937	306,655	1,855,488	6.05
12 Mos. ended Oct.:			
1934	5,174,382	18,451,763	3.57
1935	4,756,996	18,196,449	3.82
1936	4,935,332	20,421,670	4.14
1937	4,227,347	23,777,099	5.62

Wheat Exports

October:	Quantity Bushels	Value $	Average Export Price $
1934	21,807,784	18,095,542	0.83
1935	28,919,421	25,473,602	0.88
1936	26,917,096	28,949,549	1.08
1937	10,055,102	13,273,397	1.32
Sept., 1937	5,903,060	7,507,277	1.27
12 Mos. ended Oct.:			
1934	172,409,000	129,606,374	0.75
1935	158,159,469	129,888,316	0.82
1936	232,923,952	202,814,644	0.87
1937	128,566,609	157,897,758	1.23

Wheat Prices



(Cash Quotations)

	For Week Nov. 16 High	For Week Nov. 16 Low	Prev. Week High	Prev. Week Low
1 Man. Hard	1.42	1.35¼	1.35¾	1.32⅝
1 Northern	1.42	1.35¼	1.35¾	1.32⅝
2 Northern	1.38	1.31⅝	1.31⅝	1.28⅝
3 Northern	1.16½	1.11	1.09⅝	1.06⅝
4 Northern	1.09½	1.04	1.02⅝	.98⅝
5 Wheat	1.02	.96¼	.96⅝	.92⅝
6 Wheat	.97	.88¼	.91⅝	.87⅝
Feed Wheat	.78	.72⅞	.70⅝	.66⅝
Vancouver: Week to Nov. 15:				
1 Northern	1.28	1.20¾	1.25⅛	1.18⅝

Competitive Export Prices:

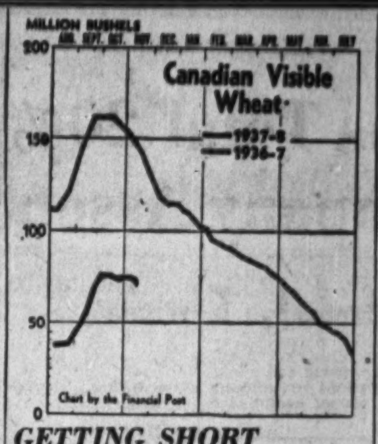
Nov. shipments:	Week to Nov. 16 High	Week to Nov. 16 Low
No. 1 North. (Atlan.)	1.68⅛	1.59⅝
No. 3 North. (Atlan.)	1.41⅝	1.33⅛
Australian, Dec.	1.28⅜	1.22⅞
Australian, Jan.	1.28⅛	1.20⅝
Indian (new crop)	1.31⅛	1.28⅛
U. S. Hard Winters	1.23	1.15⅛
Argentine (Rosafe)‡	1.29⅛	1.28⅛
Rumanian	1.16¾	1.14⅛
Russian	1.22⅛	1.18¾

‡Jan.-Feb., speculative offers.

Winnipeg Grain Futures

Week to Nov. 16, 1937

Crop year from Aug. 1, 1937 High	Crop year from Aug. 1, 1937 Low		Open Nov. 10	High for week	Low for week	Close Nov. 16	Close year ago
		Wheat					
1.34⅝	1.09¼	Nov.	1.16¾	1.21⅝	1.15¼	1.18¼	1.09
1.29⅛	1.04¼	Dec.	1.11	1.16⅝	1.10⅝	1.13⅞	1.08⅝
1.30¾	1.02¾	May	1.08⅝	1.14⅛	1.08⅛	1.10⅞	1.07⅞
1.08½	.97⅝	July	1.04	1.08½	1.03⅛	1.05⅝	1.05⅝
		Oats					
.52½	.45	Nov.	.47⅛	.49⅛	.46	.46¼	.46⅝
.51⅝	.40¼	Dec.	.44¼	.45⅞	.44⅛	.44½	.45¼
.51	.41¼	May	.43⅝	.44¾	.42½	.43¼	.45⅝
		Barley					
.62¼	.57⅞	Nov.	.60⅛	.62¼	.59¼	.59⅝	.62½
.65⅝	.52½	Dec.	.58	.59¾	.56¾	.57¼	.61⅝
.64½	.53¼	May	.56⅞	.58⅝	.55¾	.56¼	.58⅞
		Flax					
1.80½	1.72¼	Nov.	1.76	1.80¼	1.72½	1.72¼	1.59½
1.80¼	1.69¾	Dec.	1.72½	1.77¾	1.69¾	1.69¾	1.59½
1.82	1.69⅝	May	1.72½	1.77⅛	1.69⅝	1.69⅞	1.62¾
		Rye					
.95	.67⅞	Dec.	.73¾	.78½	.72½	.73⅛	.75⅝
.95⅝	.69⅛	May	.75	.80	.74½	.75⅝	.75⅝



GETTING SHORT

Canadian visible supply of wheat in commercial storage last week was down to 72.8 million bushels or just about half the amount on hand a year ago. At the present rate of export shipments, from two to three million bushels weekly, all available exportable surplus will be liquidated in less than four months.

MacKinnon Steel Corp. Starts Payment on Arrears

From Our Own Correspondent

MONTREAL. — MacKinnon Steel Corp. has declared a dividend of $1.75 a share on its 7% preferred stock, on account of arrears, payable on Dec. 15 to shareholders of record Nov. 30. The last payment was made on May 1, 1933, and at the end of last July arrears totalled $32.87½ a share.

At the annual meeting, held this week, J. L. McSweeney, vice-president, told shareholders that current operations were approximately 70% of capacity, although this figure was subject to qualifications in that different types of steel manufacture required different production operations.

Trenton Prepares For Settlement of Defaults

Settlement of the Trenton, Ont. default situation is believed near. While no definite plan has been announced, it is understood that the creditors and the council are in general agreement as to suitable terms of settlement of defaulted principal maturities, and a plan should be forthcoming shortly from the Ontario Department of Municipal Affairs.

Full cash payment is considered likely, with the required funds probably coming from the sale of a new debenture issue, supplemented by cash on hand.

Industrial Acceptance Lists Additional Stock

From Our Own Correspondent

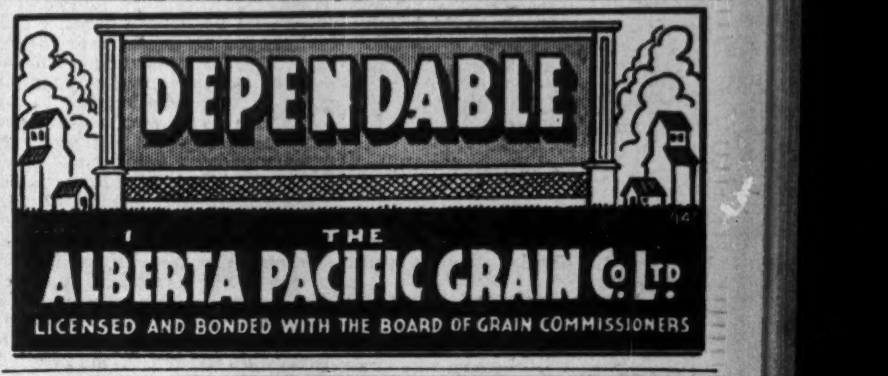
MONTREAL. — Stock Exchange has approved for listing additional shares of Industrial Acceptance Corp. The listing covers 64,640 class A shares to be called for trading on official notice of issuance, bringing the aggregate total up to 150,000 shares.

The current listing includes 15,000 class A shares to be issued against the exercise of subscription warrants atached to the preferred stock; 40,000 shares to be issued against conversion of the 4% convertible notes; and 9,640 shares to be issued in accordance with the plan entitling certain officers of the company to participate in the profit in the form of allotment of class A shares.

Mtl. Apartments Adjourn Meeting

From Our Own Correspondent

MONTREAL.—The meeting of first mortgage bondholders of Montreal Apartments Ltd. which was to have been held Nov. 12 to consider a proposal to alter sinking fund provisions was adjourned to Dec. 3 due to lack of a quorum.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JAMES RICHARDSON & SONS Limited
WINNIPEG REGINA MONTREAL MOOSE JAW VANCOUVER SASKATOON TORONTO CALGARY KINGSTON EDMONTON

Insurance

Policy Loans Total 20% Of Life Company Assets

Canadian Borrowings of $244.7 Millions Tending to Increase Costs of Protection to Whole Body of Policyholders

Out of the approximately three million life insurance policies in force in Canada, some 900,000 policies had loans outstanding against them for a sum totalling some $244.7 millions or some 20% of the total assets of life companies according to the most recent available figures.

It is the sad experience of the companies that once a loan is taken on a policy a great number are never repaid and the policy lapses or becomes almost worthless. The beneficiaries it was designed to protect suffer and the whole body of policyholders suffer through lower dividends resulting from the various costs and restrictions involved in the loan privilege.

Is the ease with which a policyholder can borrow on his insurance defeating the purpose which he had in purchasing his policy?

Is the loan privilege being bought at too high a price?

Is the insurance company competing with the bank and the loan company, both of which could be expected to be better equipped to provide this service?

Small Loan Borrower

The recent stock market break caused a renewed flood of demand for policy loans in the United States, which fortunately did not extend to any degree in Canada. Policy loans in Canada have been decreasing yearly since the depression, with relatively large payments this year. An important part of recent borrowing on policies in the United States is attributed to the demands of big policyholders. These, it is expected, will, for the most part, restore their policies to good condition. But the average insurance policy loan is small, $200 and less, and it is these loans which provide the major mortality in policies and defeat the chief purpose of the insurance policy.

Insurance companies quite definitely dislike the policy loan business. They try dissuading the borrower. They charge a substantial interest rate, 6%. They refuse to grant loans on policies in force less than three years.

"But one of our biggest sales points would be gone if we withdrew loan privileges," the salesman protests.

Lower Policy Costs

The sales staff argument that loan privileges are necessary may not have so much weight as at first seems. The insurance purchaser is filled with thrifty and beneficent intentions for his dependents when he signs a policy application. The fact that a company might later ask questions and raise barriers to protect him from his own foolishness or extravagance would not seem frequently to be a deterrent.

Certainly, harder-to-get policy loans would result in higher quality business, better earnings for policyholders and would give more of what the companies are really selling, protection. While no definite figure can be given it has been estimated by an insurance executive that the cost of insurance might be reduced between five and 10% if loan privileges were withdrawn.

Aid to Extravagance

A speaker at the American Life Convention in Chicago recently declared that insurance policy borrowers found it such a convenient reservoir for money that they use it "for any and all purposes save the one of actual need."

Borrowers on policies need give no reason as to why they want the loan, nor can the insurance company refuse a loan no matter how questionable the need for it.

Raising the interest rate to deter borrowers would require Federal Government permissions which might be difficult to secure, even though the aim would seem to be in the public interest. Companies have not by any means forgotten the spanking they received a few years ago by one western Canada M.P. who charged that the interest rate on loans was exorbitant.

At present borrowing on insurance is the simplest and cheapest way of meeting financial stress, justifiable or not. The insurance company can't turn you down. It asks a minimum of questions. The small loan companies ask a lot of questions and the Bank of Commerce small loan department not only asks a lot of questions but also for the names of two guarantors.

High Cost of Loans

The insurance company rate is low, in spite of what the western M.P. charged. True the element of risk is removed, but the labor involved in the granting and if possible the collecting of thousands of small loans is very considerable. In addition there is the loss to the insurance company in the fact that it has to keep in a highly liquid condition a large block of its assets which might otherwise be invested.

The small loan company admittedly does much of its business among people unlikely to own life insurance, but its rate works out to around 24% for the Government regulated companies to around 20% for some of the unregulated. The bank small loan rate works out to around 12%.

Paying for new automobiles, radios, refrigerators, etc., by means of policy loans is becoming popular, much to the concern of the insurance companies. Because of the difference in rate between the insurance company and the financing company a car buyer for instance may save anywhere from $30 to $100 by mortgaging his policy.

One fact offers an interesting commentary on human nature: persons holding pension policies seem less willing to borrow on their policy than those with policies in which somebody else is the beneficiary.

Competition With Banks

Only one Canadian bank has entered the small loan field and since the insurance policy loan is so low, the ordinary commercial loan business of the banks is but little concerned. Ever since the depression, banks have been notably hard pressed to find satisfactory investments for depositors' money.

At the American Bankers' Association convention in Boston a few weeks ago, one banker told his fellows in no uncertain terms that they were asleep on the job, that insurance and small loan companies were getting much business which is in the banks' particular field and which the banks are better equipped, better trained to handle.

While insurance companies don't like the loan business it seems unlikely at present that they will do anything to make the conditions of borrowing on policies more difficult. Sales competition is keen. Their interest rate is already under fire. Public education works slowly.

United States
Fidelity & Guaranty
Company
TORONTO

NOTICE

Notice is hereby given that the INSURANCE COMPANY OF NORTH AMERICA has received from the Department of Insurance, Ottawa, Certificate of Registry No. C-524 authorizing it to transact in Canada insurance against loss of or damage to property caused by vehicles, limited to the insurance of the same property as is insured under a policy of fire insurance of the Company, in addition to the classes for which it is already registered.

H. C. MILLS,
Chief Agent in Canada.

NOTICE

Notice is hereby given that the PHILADELPHIA FIRE AND MARINE INSURANCE COMPANY has received from the Department of Insurance, Ottawa, Certificate of Registry No. C-526 authorizing it to transact in Canada Falling Aircraft Insurance, Hail Insurance, Civil Commotion Insurance and insurance against loss of or damage to property caused by vehicles, limited to the insurance of the same property as is insured under a policy of fire insurance of the Company, in addition to the classes for which it is already registered.

H. C. MILLS,
Chief Agent in Canada.

NOTICE

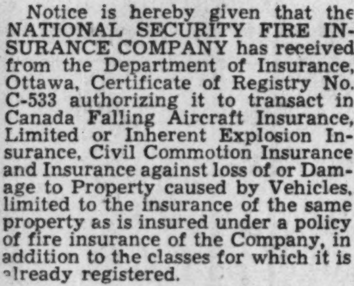
Notice is hereby given that the ALLIANCE INSURANCE COMPANY OF PHILADELPHIA has received from the Department of Insurance, Ottawa, Certificate of Registry No. C-525 authorizing it to transact in Canada Falling Aircraft Insurance and insurance against loss of or damage to property caused by vehicles, limited to the insurance of the same property as is insured under a policy of fire insurance of the Company, in addition to the classes for which it is already registered.

H. C. MILLS,
Chief Agent in Canada.

NOTICE

Notice is hereby given that the NATIONAL SECURITY FIRE INSURANCE COMPANY has received from the Department of Insurance, Ottawa, Certificate of Registry No. C-533 authorizing it to transact in Canada Falling Aircraft Insurance, Limited or Inherent Explosion Insurance, Civil Commotion Insurance and Insurance against loss of or Damage to Property caused by Vehicles, limited to the insurance of the same property as is insured under a policy of fire insurance of the Company, in addition to the classes for which it is already registered.

H. C. MILLS,
Chief Agent in Canada.



Every 4 minutes fire attacks a dwelling.

Since 1895

A Company whose reputation for SOUND PROTECTION is one of its greatest assets.

The CANADIAN FIRE INSURANCE CO.
Winnipeg Calgary Toronto Vancouver

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IN CITIES and towns where Central Stations are not maintained by this Company, Burglar Alarm, Sprinkler Supervisory and Automatic Fire Alarm Systems can be installed to connect with local Police or Fire Department headquarters.

These systems are of the same type and design as installed and operated by us in the larger cities.

Inquire of our nearest office

DOMINION ELECTRIC PROTECTION COMPANY
BURGLAR, FIRE AND SPRINKLER ALARMS
Central Stations
Toronto Montreal Quebec Ottawa Hamilton London Winnipeg

GOES TO EXECUTIVE

S. C. McEvenue, general superintendent of the Canada Life Assurance Co., who has been elected a member of the executive committee of the Life Insurance Sales Research Bureau.

First Canada Life Policy Written 90 Years Ago

Ninety years ago Nov. 9, Canada Life Assurance Co. issued its first policy on the life of Hugh C. Baker founder and first president of the company then 30 years of age. The policy was for £500. The company's capital was shown as £50,000.

Interesting "conditions of assurance" were stated in the body of the policy. It was to become ineffective if the assured travelled anywhere outside of Europe, British North America or United States north of the 38th degree. Death as a result of suicide or of a duel would invalidate the policy. Furthermore it would be cancelled if "the assured abandoned himself or herself through the use of fermented liquor to such a degree as will render him or her an habitual or confirmed drunkard." Since that year, Canada Life has paid to policyholders, annuitants and beneficiaries or held in trust for them more than $600,000,000.

Life Underwriters to Hold Congress in Montreal

Lynn S. Broaddus, Chicago manager for the Guardian Life Insurance Co. of America was guest speaker at the November 18 luncheon meeting of the Life Underwriters Association of Montreal. Mr. Broaddus is noted both as an outstanding producer and as a convention speaker.

An educational congress will be sponsored by the Montreal Life Underwriters November 30. Special speakers include Holdar J. Johnson, of Pittsburgh, A. E. Wall, C.L.U., field service inspector, Confederation Life, Toronto, and author of a book, on salesmanship, O. Sam Cummings, president of the National Underwriters Association. George H. Harris, C.L.U., director of public relations, Sun Life of Canada and Norman Hollis, guest luncheon speaker.

Gordon Scott Joins Board of Great American Group

From Our Own Correspondent

MONTREAL.—Hon. Gordon W. Scott has joined the Canadian Advisory Board of the Great American Group of Insurance Companies, the latter comprising Great American Insurance Co., American Alliance Insurance Co., County Fire Insurance Co., of Philadelphia, and Great American Indemnity Co.

Other members of the Canadian Advisory Board include F. G. Donaldson, vice-president and general manager of the Montreal Trust Co.; C. E. Gravel, director of Banque Canadienne Nationale; George Hogg, president, Guaranteed Pure Milk Co., and Severe Godin Jr., vice-president, Montreal Light Heat and Power Consolidated.

Appointments

Canada Life Assurance Company announces the following staff changes:

C. J. WAINWRIGHT—branch secretary at Windsor, transferred to the central Toronto branch in the same capacity.

H. W. BIGGAR—formerly accountant at Montreal St. James' branch transferred to Windsor as acting branch secretary.

Crown Life Insurance Co. announces:

ARTHUR J. LEGGATT Jr. has been appointed manager of the London, Ont., agency.

Monarch Life Assurance Co. announces:

A. R. HODSON appointed district manager for southeastern British Columbia, headquarters at Nelson.

New Licenses

The Federal Department of Insurance announces the following certificate of registry:

Canada Accident and Fire Assurance to write insurance against damage or loss of property, real or personal, in addition to the classes for which it is already registered.

B. C. Prepares For Redrafting Health Scheme

Weir Suggests New Study Before Insurance Act is Revived

FAITH IN PROJECT

From Our Own Correspondent

VANCOUVER.—Health insurance in British Columbia may still be a long way off, as a result of the fiasco in attempting enforcement early this year, but the Pattullo Government still claims that it has a mandate to put the scheme in force. Meantime the commission organized to administer the Health Act is marking time and continuing a health survey of the province.

"Many obstacles remain to be overcome, many precipitous heights to be scaled, but the outcome of the issue can never be in doubt," Hon. George M. Weir, minister of health, told the Legislature last week. Dr. Weir, almost single-handed, piloted the bill through the house two years ago, although in its final form it bore slight resemblance to the original draft, so many were the amendments inserted to win support.

State Medicine

Dr. Weir told the house that he believed 100% in state medicine and claimed there was nothing politically sacrilegious or communistic about it. By state medicine, he explained, the state would be responsible for complete medical, dental, hospital, nursing and other services, and would finance the whole cost of such services out of consolidated revenue.

Dr. Weir suggested that the health commission might investigate several specific problems as a preliminary to drafting a new act that would meet all opposition. These studies included:

Group hospitalization—To organize and administer voluntary health insurance plans in co-operation with hospitals wishing to participate.

Cash benefits—To investigate the problem of providing cash benefits for employees unable to work on account of sickness.

Free schedules—To examine the new fee schedule introduced by the College of Physicians and Surgeons of British Columbia and decide if it was reasonable in terms of fees charged in other provinces.

Doctors' Renumeration

Dr. Weir claims that the rate of fees offered under the plan already on the statute books of B. C. was 75% greater than the scale voluntarily offered by doctors in South Africa. The rates per person per year were: British Columbia, $6; South Africa, $3.42.

Total cost of health and welfare services, including tuberculosis, mental diseases, venereal diseases, hospitals and public health services Dr. Weir estimated at more than $3,250,000. With British Columbia rapidly becoming a "convalescent hospital for the prairie provinces," Dr. Weir declared that by 1947 the cost to the citizens of B. C. would exceed $7 millions in health and welfare services.

NEW YORK MANAGER

The Canada Life Assurance Co. announces appointment of Channing Davis as manager of its New York City branch. Mr. Davis joined the Canada Life in October, 1936, as agency supervisor.

B. C. Salmon Pack Smaller

Little Carryover Expected This Season by B. C. Packers

From Our Own Correspondent

VANCOUVER.—With the selling season still young, it is too early to venture a detailed estimate of the world salmon market, but it is expected that B. C. Packers, Ltd., leading factor in the canned salmon industry in this province, will have very little if any carryover. This will be partly due to the smaller pack this season. The catch has been considerably less than in 1936, when the Fraser River producer the biggest run of Sockeye in 20 years, but it is higher than the corresponding cycle year, 1933, probably due to conservation measures.

Meanwhile B. C. Packers is continuing to build up its organization. H. R. MacMillan, president, announces appointment of Gwynne Hurrell as sales manager, succeeding S. K. Murray, who held that position for 23 years and has now been promoted as assistant to J. M. Buchanan, general manager.

Policy of the company since Mr. MacMillan assumed the presidency has been to make B. C. Packers a more flexible operation in order to make the fullest possible use of the available resources. One of the first major moves was to shut down and dismantle several of the canneries operating at a loss, resulting in a more compact and efficient plant organization.

Then the company launched into the fish reduction industry with the double purpose of eliminating waste—under the old system 40% of the salmon's weight was regarded as refuse—and reducing the idle time in the plants and fishing fleets. Another step toward diversification of production and a longer operating season was the company's recent expansion into the shellfish industry.

B. C. Packers operated six canneries and six reduction plants this season, and production of oil and meal will be the largest to date due to the operation of more plants. The pilchard run was a comparable failure this year, but the herring prospects are good.

Obituary

Robert Young, former superintendent of western loan agencies for the Canada Life Assurance Co., died at Winnipeg. Mr. Young was for 18 years connected with the investment department of the company which he joined in 1903. Two years later he was appointed manager of the Winnipeg loan agency. In 1913 he was promoted to superintendent of western agencies. He retired in 1921. Mr. Young was born in Georgetown, Ont., in 1856 and went to Winnipeg in the spring of 1878.

Henry D. Higinbotham of the Sun Life, died recently at his home in Guelph. He started his business career in South Africa and later became manager in Continental Europe and the Levant, residing in Paris and Brussels. When the Sun Life withdrew from this field he was transferred to Tokio. In 1924 he became supervisor of agencies for Great Britain and in 1929 retired. For service to the British embassy in Tokio during the Great War he was offered a knighthood which he declined.

Allan McPherson, former executive of The T. Eaton Co., died at his Toronto home last week, aged 70. Mr. McPherson, native of London, Ont., joined the company in 1898 and was promoted first to chief department buyer and then supervisor of the mail order service. He was a member of the Mississauga Golf and Granite Clubs, Toronto.

Walkers' Rights May Boost British Car Policy Rates

Increase in rates for British automobile insurance is brought closer, insurance men fear, by a recent decision of the appeal court in which it was ruled that the pedestrian's right of precedence at uncontrolled crossing is absolute and that the motorist cannot plead contributory negligence on the part of the pedestrian as defense in a claim for damages. Companies charge that courts are gradually raising the amount of damages knowing that the individual does not bear the cost.

A Job to be Done

In a front page editorial published recently by The Financial Post under the title "A job to be done," a plea was made for a rational move to increase the employability of Canada's unemployed men and women by improving their skill, physique and morale. It has been followed by vigorous expressions of approval from leaders in church, state, education and industry. In view of the importance of this subject and the interest it aroused The Financial Post is presenting below some of the comments and suggestions received:

G. R. Duncan, Fort William, Ont.: "Many temporary measures that are being developed to put men to work have overwhelmed the major issue of making these people permanently self-sustaining. It seems obvious that all the great rearmament activities, the conducting of public works, the continued borrowing of money for relief, these and other measures are not striking at the root of the nation's problem.

"Too many of our people live in urban centres; have heavy fixed outlay such as rent, taxes, fuel, insurance and such things, to say nothing of other living costs based on the highest standards. Coupled with this is that demoralizing influence of growing governmental paternalism.

"Two things come to mind.

(1) A plan might be extended for cultivating what, in Canada, is an almost undeveloped art; that is, individual handicraft.

(2) The extending of ownership and working of large plots of ground, sufficient to partly sustain the workers.

"Not new ideas at all! So they have the merit of a good record.

"Cheap hydro electric power and low cost transportation may be extended to make small farm and suburban homes more ideal than ever before, and the handicraft would serve the double purpose of being profitable and pleasantly occupational.

* * *

Robert J. Magor, Chairman and President, National Steel Car Corp., Montreal—"I, of course, agree with your editorial dealing with the importance of solving this problem but I am not convinced as to the methods which should be employed to secure the desired results.

"I think something along the lines you suggest would solve the problem, providing the efforts put forward by all interested groups was actuated in all respects by a disinterested individual to secure maximum results at lowest cost.

"I have been closely connected with unemployment problems in Newfoundland, Alberta and Quebec and am not satisfied that an organization set up by the Federal Government for the purpose you indicate, with co-operative effort, is the solution. Thus until the mal-effect of political influences is removed from this question the degree of waste and inefficiency will be so high as to nullify the constructive efforts put forth.

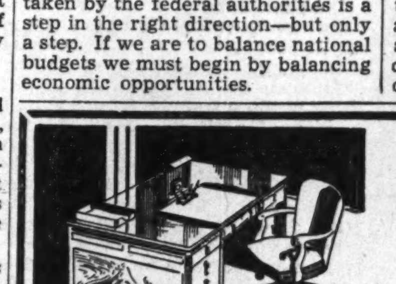
* * *

Prof. W. W. Swanson, University of Saskatchewan: "May I congratulate The Financial Post on the stand you have taken. It is at once courageous and may I say constructive in character.

"It is indisputable that the main threat from unemployment is its perverse capacity to infect the body politic with the maladies of extravagance and waste. Short-term policies designed to relieve distress and promote recovery by public spending are from the very nature of the case extravagant and wasteful, and if persisted in can only lead to social disruption and economic loss.

"It is a matter of the first importance to balance the national and other budgets; but that does not begin with juggling figures in the public accounts. It begins with placing labor and industry in the proper balance, by mobilizing all the productive resources of the nation in a united effort to create wealth and not merely to tax and distribute it. The analysis that Mr. Purvis advocates to separate the employables from the mentally or physically deficient, should be made.

"It is the part of wisdom to perfect our employment machinery and to open up new avenues of work wherever they can be devised or found, to prevent the continued waste of public funds and human life. Innate qualities must be fostered and developed by opportunity to work and render service to society. The programme for the training of youth recently undertaken by the federal authorities is a step in the right direction—but only a step. If we are to balance national budgets we must begin by balancing economic opportunities.



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Desks, Chairs, Files, Safes, Lockers, Steel Shelving, Partitions, Lockers, Matched Suites, Filing Supplies.

THE OFFICE SPECIALTY MFG. CO. LIMITED
Home Office and Factories—NEWMARKET, Ont.
Branches in principal Canadian cities.

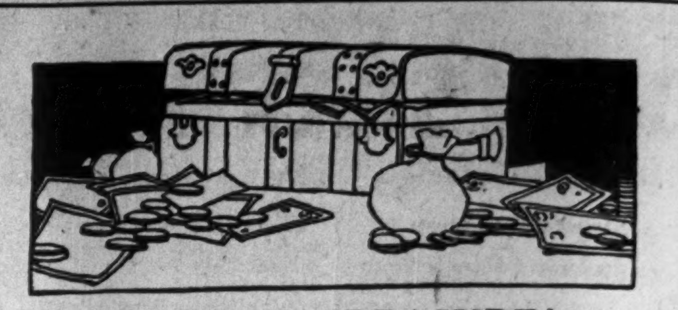
1887 GOLDEN JUBILEE YEAR 1937

THE MANUFACTURERS LIFE INSURANCE COMPANY

A Backlog of Security

LIFE Insurance is the means whereby a bread-winner can give to those dependent on him financial security which he otherwise could not provide. It guarantees for himself a secure and independent future.

HEAD OFFICE: TORONTO, CANADA



HIDDEN TREASURE!

What would you give to discover the ancient chest . . . to unlock those riches that would bring happy release from a lifetime of labour, and give joy of independence while the years are yet kind to you? "A dream," you say. But it need not be. Freedom and contentment which all rational men desire can be yours with certainty by means of a —

Sun Life Pension Bond with Assurance

In ten, fifteen, or twenty years, this chest is unlocked for you and the treasure of a regular monthly income is at your command. If you do not survive the selected period, then those you love will receive in full measure, as an immediate benefit, the capital sum planned for them by you.

Write for particulars of the Sun Life Pension Bond today.

SUN LIFE OF CANADA

A MUTUAL COMPANY
NORTH AMERICAN LIFE
Solid as the Continent
Head Office—Toronto, Canada
ALL PROFITS FOR POLICYHOLDERS

FIRE INSURANCE—
"Expense" or "Investment"?

By adopting the Northwestern Mutual plan of fire insurance, business men convert an "expense" into an "investment" paying substantial annual dividends. Last year this mutual company distributed $1,143,727 to policyholders in dividends.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
Non-Assessable Policies Assets $6,000,000.

BRANCHES ACROSS CANADA
Toronto
Hamilton
Ottawa
Montreal
Quebec City
St. John
Halifax
Winnipeg
Saskatoon
Calgary
Edmonton
Victoria
Kelowna
Vancouver

REPLACEMENT COST... OF MEN AND MACHINERY

● When a machine part breaks or wears out, a new one can be purchased, the old one scrapped. When an employee dies, another man can be hired. But the employer must feel a certain obligation to see that the bereaved family are provided for until they can arrange to earn a livelihood, for that man helped the employer make his profits.

Great-West Life Group Insurance Policies are an asset to both employer and employee. They reduce personnel turnover, increase the efficiency of employees by eliminating worry about the future, promote loyalty to the firm.

Employees can obtain life insurance at lower cost than they can obtain it individually. They can take advantage of Group Insurance regardless of age or physical condition. Their families are guaranteed an income during the difficult months following the death of a breadwinner.

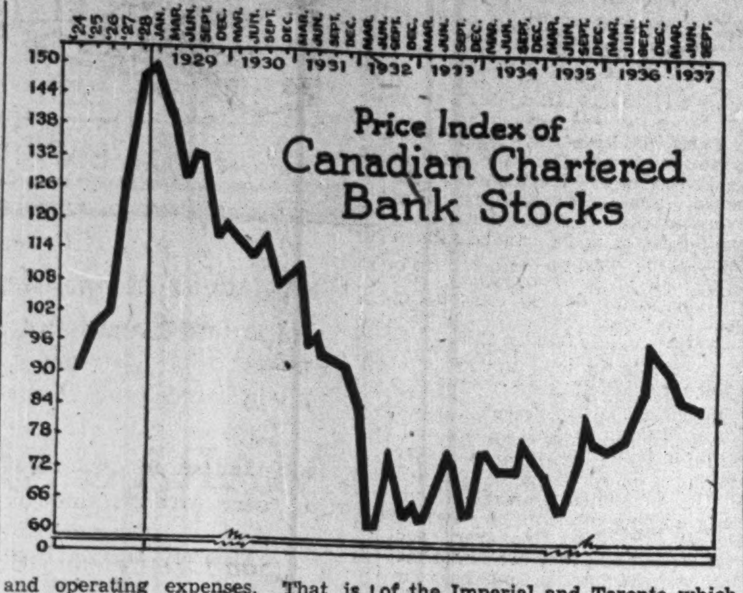
We shall be glad to discuss this important problem with you.

The GREAT-WEST LIFE ASSURANCE COMPANY
Head Office—WINNIPEG

Banking

Bank Stock as Investment

Yield Relatively High —Slightly Improved Earnings Expected



Are the stocks of the chartered banks a good buy at present levels? Prices on the whole are relatively low and it would appear that the annual statements which will be forthcoming shortly should be at least as good as last year if not rather better. Furthermore, bank reserves have been built up sufficiently to lessen substantially the hazard of the double indemnity requirement of bank stock owners.

Following is a comparative table of bank stock yields, current, one year ago and March, 1932, the last time the index of bank stock prices stood about where it does today.

Yield Bank Stocks

	Week ended Nov. 1/37	Week ended Nov. 2/36	Week ended Mar. 7/32
B. Can. Nat.	5.2	5.7	6.3
B. of Montr'l	4.1	3.9	5.6
B. of N. S.	4.2	4.2	5.9
B. of Toronto	4.2	4.4	6.2
B. of Comm.	4.9	4.9	6.4
Dominion Bk.	5.0	4.9	6.3
Imperial Bk.	4.9	4.9	6.4
Royal Bank	4.5	4.3	5.2

A Better Year

As yet no accurate figures are available from which to make an estimate of bank earnings. However, the Imperial, whose year ends Oct. 31 and whose statement is generally regarded as a weather vane for the earnings trend of the banks, would appear to have had a somewhat better year.

Expanding commercial loans are perhaps the biggest single factor in the improvement. Beginning in the summer of 1936, commercial loans reversed their long downward trend and have since shown a steady gain, as was pointed out in a study on this page last week. When commercial loans are sharply restricted, bank assets in the main go into unremunerative government bonds.

Furthermore, the yield on government bonds, save for the very short terms has increased slightly over the yields of the previous year.

Contrary to widespread opinion, stocks of the Canadian banks have in the past fluctuated widely with the rest of the market. It is interesting, however, that the peak for bank stock prices was reached in January, 1929, not October as for the market in general. The accompanying chart of the index of bank stock movements since 1924 also reveals that frequently bank stocks have had a decisive rise around the beginning of each new year.

Social Credit and Drought

The Alberta situation is serious, but for the present the exorbitant bank tax act is sidetracked. With the Rowell Commission getting to work refashioning the national financial structure, it would seem unlikely, at least until the Commission's work is done, that any other provinces will attempt to follow the Alberta example by boosting the provincial tax on banks.

As for the effect of the Social Credit régime and renewed drought in some parts of the prairies different banks will be affected in different degrees. As of Sept. 30, 1937, Bank of Commerce had 119 of its branches in Alberta and Saskatchewan, Royal 140 of its 735 branches, Montreal, 87 of its 525 branches, Imperial 51 of its 190, Nova Scotia 24 of its 316, Toronto of its 169, Banque Canadienne Nationale seven of its 537 and Dominion seven of its 133 branches.

During the past few months Commerce has announced closing of almost a dozen branches in these two provinces.

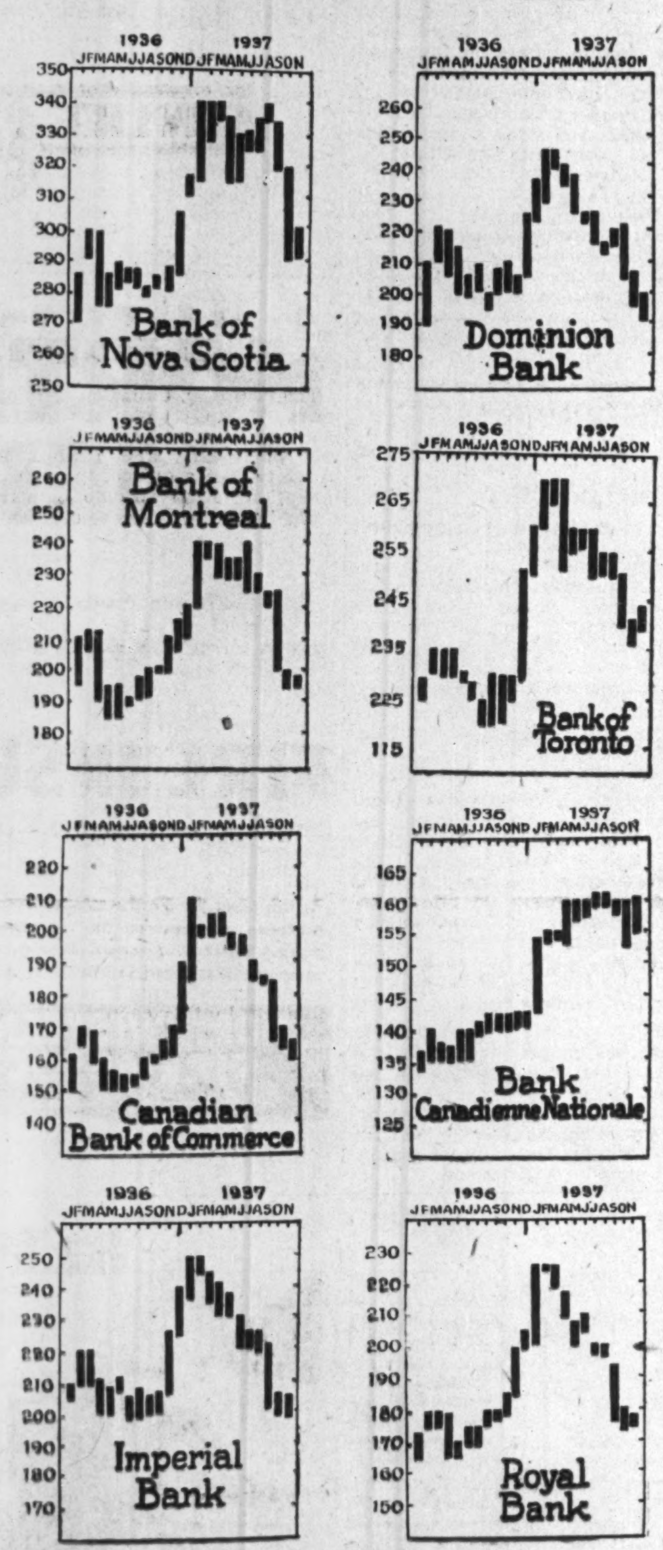
Whether Canadian business has regained sufficient confidence to continue borrowing on its present scale or to expand its borrowings will not be known for some months yet. The contagion of the U. S. panic and the failure of the Roosevelt pump priming policy has spread to Canadian security markets which followed on the downward path perhaps farther than the Canadian business recession alone would justify.

Outlook Promising

Profits of ordinary banking operations are chiefly influenced by four factors: loans, investments, deposits and operating expenses. That is, from the revenue received from the first two must be deducted the cost of the bank's money and actual administrative expense as represented by the last two. Foreign business, letters of credit and the various phases of banking activity cannot fail to be reflected in earnings, of course, but their influence is less important. This is particularly true of the Imperial and Toronto which have no foreign branches.

With commercial loans increased in volume, with government bond yields somewhat higher, with bank costs not materially increased by a higher interest rate on savings deposits and no important changes in administrative costs, it would appear that some improvement can be anticipated.

Movement of Bank Stocks



Monthly Bank Clearings

	October, 1936 $	October, 1937 $
Brandon	1,705,500	1,947,070
Brantford	4,331,739	4,593,427
Calgary	30,793,811	33,144,230
Chatham	2,161,709	3,309,211
Edmonton	19,174,113	19,418,376
Fort William	3,196,860	3,706,609
Halifax	10,714,833	11,805,578
Hamilton	21,766,776	25,485,060
Kingston	2,576,568	2,842,853
Kitchener	4,784,117	4,934,096
Lethbridge	2,314,952	2,788,513
London	12,172,189	13,835,097
Medicine Hat	1,261,430	1,417,769
Moncton	3,344,340	3,808,131
Montreal	547,158,574	502,775,080
Moose Jaw	3,788,393	2,906,810
New Westminster	2,996,299	3,172,751
Ottawa	110,631,276	86,868,736
Peterborough	2,740,109	2,813,045
Prince Albert	1,934,322	1,815,816
Quebec	21,822,410	23,673,159
Regina	28,579,999	17,502,842
Saint John	8,101,166	8,059,256
Sarnia	1,982,625	2,158,115
Saskatoon	8,639,144	6,651,067
Sherbrooke	2,703,490	3,280,963
Sudbury	3,605,869	4,704,828
Toronto	542,921,725	517,134,176
Vancouver	86,344,065	79,613,783
Victoria	8,096,877	7,769,264
Windsor	11,671,613	13,639,639
Winnipeg	322,526,270	223,539,734
Total	1,836,562,563	1,641,113,815

Staff Changes

The Canadian Bank of Commerce announces the following staff changes:

G. S. NUNNS, formerly manager at Admiral, Sask., to be manager at Baden, Ont.

Royal Bank of Canada announces the retirement on pension of R. DE AROZARENA, manager at Havana, Cuba.

L. MERRITT, manager Inverness, N.S.

J. H. LAPORTE, manager of Mt. Royal-St. Lawrence branch, Montreal, died Nov. 3.

CHAMPION MORTGAGE
CORPORATION — LIMITED
EDMONTON VANCOUVER
CALGARY VICTORIA
SASKATOON REGINA

Foreign Exchange

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	1937 Nov. 8	1937 Nov. 9	1937 Nov. 10	1937 Nov. 12	1937 Nov. 13	1936 Nov. 13
U. S. dollar, High	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	....
Low	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	.99[illegible]	....
1936, High	.99[illegible]	.99[illegible]	.99⅞	.99[illegible]	.99⅞	....
Low	.99⅝	.99[illegible]	.99½	.99[illegible]	.99[illegible]	....
U. K. pound	5.01⅛	5.00	4.99½	4.98⅛	4.98½	4.88¼
Australia	4.01⅛	4.00¼	4.00	3.98⅞	3.99⅛	3.89⅝
Austria	.1894½	.1899½	.1899½	.1896½	.1896½	.1871
Belgium	.1707	.1703½	.1699½	.1697	.1697⅛	.1690½
Brazil	.0560 —	.0560	.0560	.0560	.0560	.0593
Czechoslovakia	.0351½	.0352¾	.0352¼	.0351⅝	.0351⅝	.0354
Denmark	.2244	.2234	.2230¾	.2224¼	.2225¼	.2179
France	.0341	.0340⅛	.0339⅞	.0338⅝	.0338⅜	.0464¼
Germany	.4046¼	.4046	.4041¼	.4033¾	.4033¼	.4018
Greece	.0091¾	.0091¾	.0091¾	.0091¾	.0091¾	.0089½
Holland	.5550¼	.5549	.5534¼	.5529¼	.5530¼	.5386
Hungary	.1999⅝	.1994	.1994⅝	.1994⅝	.1994⅝	.1978
India	.3800¾	.3786¾	.3781¾	.3770¾	.3768¾	.3711
Italy	.0526¾	.0527	.0526¾	.0526⅝	.0526½	.0526¼
Japan	.2928	.2921	.2917	.2909	.2906	.2850
Jugoslavia	.0236⅛	.0235	.0235	.0235	.0235	.0233
New Zealand	4.04¾	4.03¾	4.03⅛	4.02	4.02¼	3.92½
Norway	.2519¼	.2516	.2511¼	.2504¼	.2505¼	.2452
Poland	.1895	.1896	.1899	.1899	....	....
South Africa	5.00⅛	5.00	4.98⅝	4.97¼	4.97⅝	4.85¼
Sweden	.2586⅝	.2581	.2576¼	.2569¼	.2570¼	.2515½
Switzerland	.2326¾	.2319	.2316¼	.2306¾	.2305¼	.2296½
Hong Kong	.3134	.3134	.3126	.3117	.3112	.3060

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Bank of Canada Weekly Statement

Decreases in many items are reported in the weekly statement of the Bank of Canada, although holdings of Government short term bonds are up about $1 million.

Notes in circulation are down half a million, Dominion Government deposits are down $1.2 million and chartered bank deposits with the Bank of Canada down $2.2 millions. Sterling and U. S. dollars on the asset side of the ledger declined $1.2 million.

Largest change is in "other" assets, down for the week by $4 millions. "Other" deposits are up $1 million. These items commonly termed "the float" may represent items in transit or otherwise not ready for classification.

Balance Sheet

Liabilities	Nov. 10, 1937 $	Nov. 3, 1937 $
Capital paid-up	10,100,000	10,100,000
Notes in circ.	160,188,845	160,741,641
Rest fund	743,716	743,716
Depos.: Dominion	31,962,794	33,102,130
Banks	209,408,283	211,616,806
Other	2,506,586	1,552,587
Total deposits	243,877,663	246,271,523
All other liabs.	3,105,385	4,357,380
Total liabs.	418,015,609	422,214,240
Assets		
Reserve: Gold	179,931,114	179,618,752
Silver bullion	2,690,866	2,683,515
Res. in sterling and U. S.	27,341,447	28,537,495
Other curr.	634	681
Total reserve	209,964,061	210,840,443
Subsidiary coin	75,739	95,549
Investments:		
Dom. govt. short	94,428,994	93,595,656
Other Dom. govt.	96,521,226	96,798,493
Other secs.	12,187,712	12,190,884
Total invest.	203,137,932	202,585,034
Premises	865,192	860,912
All other assets	3,972,684	7,832,302
Reserve ratio	418,015,609	422,214,240
	51.96%	51.80%

Bank Chat

Investment in Canada

British and foreign investments in Canada are, it is estimated, equal to about 1.5 times our average national revenue, A. A. Magee, president of Barclays Bank (Canada) told the recent annual meeting of shareholders. "Canada is borrowing less and lending more. United States investments in Canada were reduced during the last year by more than $60 millions to $3,984 millions whereas British investments in this country remained steady at $2,725 millions. Investments from other countries rose slightly to $124 millions. Canadian investments in the United States have increased from $963.4 millions to $987.2 millions, whereas in Great Britain, Canadian investments have declined by $3 millions to $47.8 millions, and, in other countries, by $4 millions to $621.5 millions."

* * *

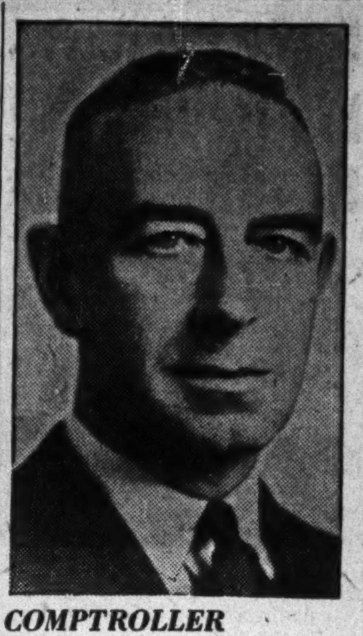
Fewer U. S. Banks

United States had 8,727 fewer national and state banks at the end of 1936 than at the end of 1929, an analysis by the Federal Reserve Bulletin shows. In the same period some 9,570 banks were suspended, 43 of that number being suspended during 1936. In 1936, 62 new banks were formed, four were converted from private banks, 13 suspended banks were opened, but 56 went into voluntary liquidation and 176 were involved in consolidations, mergers and absorptions, leaving a net decrease in the number of banks for the year of 193.

* * *

A Public Utility

Banks are rapidly becoming a public utility where all customers, large or small, will be required to pay for services rendered, Percy B. Menath, United States Trust Co., told the New Jersey Bankers Association recently. The speaker predicted that when that stage of banking was reached, banks would be more respected. A customer could then expect the best in service, a stockholder a fair return on investments, and directors more capable in management, he argued.



COMPTROLLER

Thomas Weir, C.A., has been appointed to the offices of secretary, treasurer and comptroller of Union Gas Company of Canada, Limited, United Fuel Investments, Limited, and their subsidiaries.

United Fuel Profits Gain

6 Months Earnings Equal $2.69 a Share on Preferred

Consolidated earnings, after all charges except income taxes, are reported at $242,528 by United Fuel Investments, Ltd., for the six months ending Sept. 30. This compares with net earnings of $168,645 for the corresponding period of last year.

The larger part of the improvement in earnings is attributed to a better average price obtained for large volume sales of surplus gas production to industrial customers and to an increase in sales of coke.

In connection with the increased coke sales it is pointed out that this is due to an earlier movement of coke and that sales in the last six months are likely to be adversely affected.

The earnings reported for the six months ended Sept. 30, 1937, would be equivalent to $2.69 a share on the preferred stock against $1.87 a share in the corresponding period of 1936.

Union Gas Co. Earnings Rise

Consolidated net earnings of Union Gas Co. of Canada, and its subsidiaries, Windsor Gas Co. and City Gas Co. of London, were $110,118 in the six months ended Sept. 30, 1937. This is after all charges except income taxes and compares with a loss of $16,998 for the corresponding period of 1936.

This would be equivalent to approximately 16 cents a share on the Union Gas common. In the fiscal year ended March 31, 1937 the company earned 99 cents a share.

Improvement in earnings in the first half of the current fiscal year is attributed to increased house heating sales in April and May but some increase has been shown in each of the six months in sales for both domestic and industrial purposes in all the areas served.

Additional gas reserves are being actively developed and two wells of large production and two smaller ones have been brought in during the past three months.

The company recently declared a dividend of 20 cents a share, payable Dec. 15, compared with 15 cents a share paid in the two preceding quarters.

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Barclays Bank Assets Expand

Position at Year-end Shows Further Growth in Resources

From Our Own Correspondent

MONTREAL. — Total assets of Barclays Bank (Canada) as at Sept. 30, the end of the bank's fiscal year, reached a new high mark of $19,968,804. The increase over the total reported for the same date last year was 20.2%, the gain being explained in part by the fact that the bank only started operations eight years ago.

Total deposits increased during the past year from $7,776,453 to $9,925,877. Deposits elsewhere than in Canada were the main factor in this increase, rising from $2,193,810 to $3,639,414. Savings deposits in Canada were up from $3,572,643 to $4,373,761, while demand deposits in Canada advanced from $1,776,090 at $1,854,488.

Increase in deposits was more than balanced by the rise in investments, which advanced from $6,202,725 to $8,418,980. The bulk of the additional security holdings was in Dominion and provincial government bonds maturing within two years, the total in this classification being up from $1,585,484 to $3,395,349. Longer term holdings of the same type increased from $4,481,953 to $4,816,404.

The report to the Minister of Finance shows that loans also expanded, the total advancing from $1,901,847 to $2,568,017. Current loans in Canada contributed all the increase, gaining from $1,038,947 to $1,710,217, while call loans in Canada dropped slightly from $862,900 to $857,800.

Indicated surplus at the end of the year was $5,706 against $3,655 one year earlier.

A comparison of the principal balance sheet items as at Sept. 30, 1937 and 1936, respectively, follows:

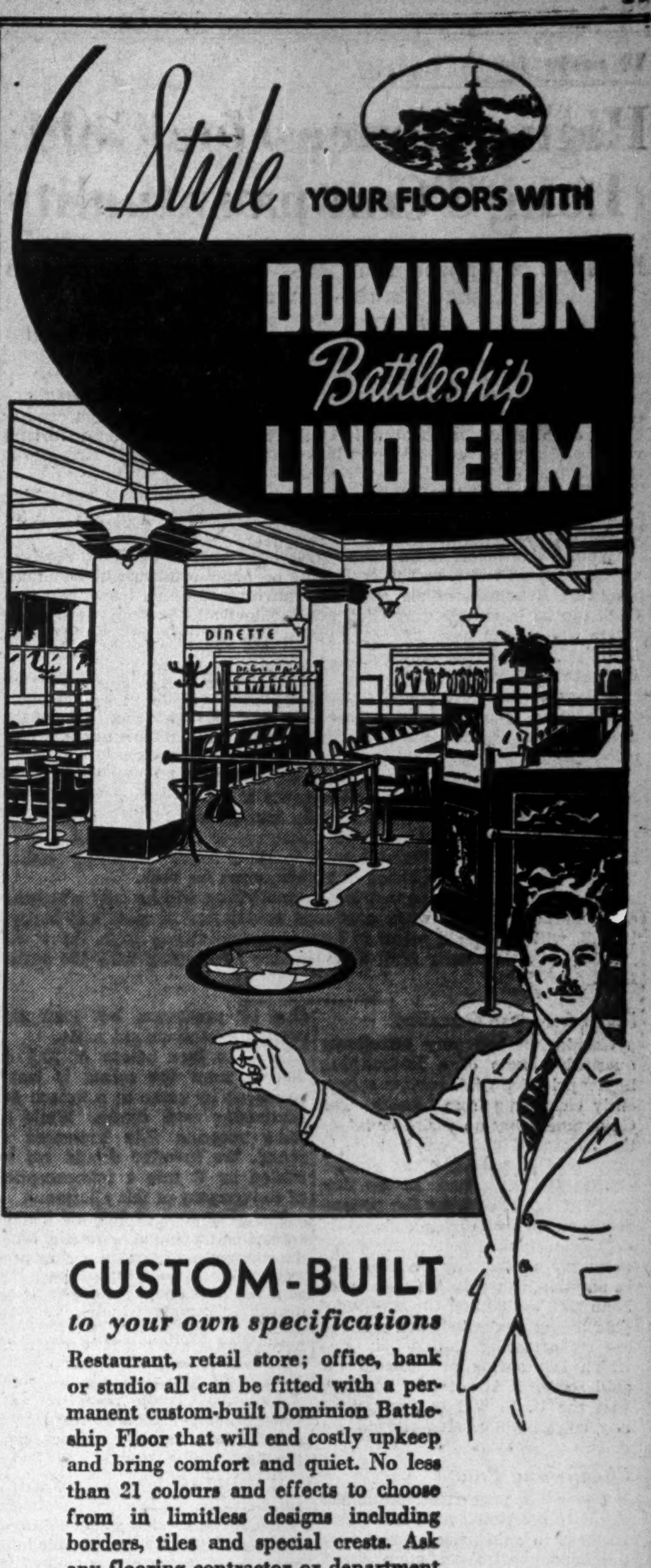
Balance Sheet Items As at Sept. 30

Assets	1937 $	1936 $
Total assets	19,968,804	16,619,260
Securities	8,418,980	6,202,725
Call loans	857,800	862,900
Current loans	1,710,217	1,038,947
Liabilities		
Demand deposits*	1,854,448	1,776,090
Savings deposits*	4,373,761	3,572,643
Deposits elsewhere	3,639,414	2,193,810

*Canada.

Weekly Bank Clearings

	Nov. 11 1937 $	Change yr. ago %	Nov. 4 1937 $
Halifax	2,384,128	+21.3	2,872,374
Saint John	1,470,191	+ 0.3	2,106,275
Moncton	713,552	— 1.3	1,018,788
Sherbrooke	873,824	+25.9	739,595
Quebec	4,800,482	+17.5	6,927,126
Montreal	87,768,456	—17.9	131,683,373
Ottawa	20,956,357	— 3.8	26,698,060
Kingston	517,049	+13.8	654,615
Peterborough	563,688	— 7.2	763,991
Toronto	90,816,275	—15.4	142,433,100
Hamilton	4,392,431	+ 9.1	6,595,461
Kitchener	801,247	—13.5	1,351,339
Brantford	893,439	+17.6	1,146,614
London	2,184,926	+ 2.9	3,406,918
Chatham	547,090	+11.0	1,183,319
Sarnia	516,097	+23.1	512,858
Windsor	2,526,004	+14.0	3,215,195
Sudbury	896,667	— 1.5	842,680
Fort William	733,961	+25.3	960,789
Brandon	408,640	+32.1	507,596
Prince Albert	343,013	— 6.3	427,395
Lethbridge	709,368	+30.0	815,639
Moose Jaw	497,736	—21.8	743,669
Regina	2,824,760	—16.8	4,831,955
Saskatoon	1,402,625	+ 4.4	1,644,571
Edmonton	3,875,801	+11.1	4,836,817
Calgary	5,615,735	+10.0	5,300,583
Medicine Hat	226,474	+12.8	350,372
N. W'minster	648,334	+20.9	813,280
Vancouver	13,487,093	—13.9	22,184,935
Victoria	1,397,895	— 2.9	2,028,450
Winnipeg	35,348,979	—17.6	55,323,967



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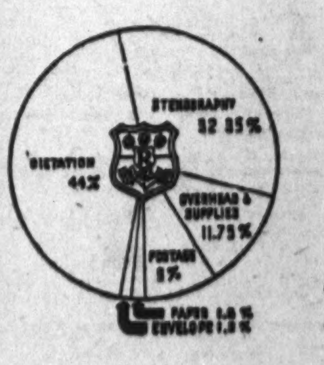

Week in Mining

Higher Prices for Gold Long Term Eventuality

Reversal of Capital Flow Has Important Bearing on Per Ounce Price—London Price Rises

Focal point of interest in the current mining market is still the gold section with oils affected by Alberta's intensified marketing problems, and base metals by weakened prices.

Behind this interest in gold stocks is a three-fold motive; higher-than-average yields on the senior issues analyzed in another column; general easing of the gold-glut situation in United States, and declining industrial values and activity which throws into relief the comparative strength of the gold issues.

Some extremely interesting and unforeseen developments are taking place in the world's gold picture which are fraught with importance for Canadian gold stock investors.

Who, for instance, could have forecast six months ago that the flow of "hot money" which was worrying the U.S. administration at that time, would by November of the same year have reversed its trend, and that U. S. capital in sizable quantities would actually be in flight to Europe?

Or who would have forecast two months ago that gold would have followed this reversed movement?

That this is what is happening today is affirmed by the paradoxical situation in which the pound sterling is rising in terms of dollars while at the same time the London price for gold is also rising. Obviously, under normal circumstances, sterling would drop as the London gold price rose.

The reason for this unusual behavior is believed to be that United States capital, fearful of the consequences of continued decline in business tempo in that country, is actually leaving and seeking a haven in the politically stable Scandinavian countries, or in the form of gold in London vaults. United States money, in other words, is buying sterling in order to buy gold, resulting in higher prices for both.

It is generally believed that this mutual rising will be only a temporary condition and that while continued uncertainty of what will happen in U.S. will keep gold prices in London comparatively high, the pound sterling will eventually seek a level more in keeping with the actual facts.

Price Increase Quashed

Washington has very effectively quashed rumors of a forthcoming higher price for gold, rumors apparently emanating from London. The Government has no desire or intention, seasoned observers believe, to raise gold prices above the present official $35 per ounce. In the first place, it does not view the present recession of business as a monetary depression, and therefore feels that monetary weapons are not needed. In addition, it is only too glad to see John Bull outbidding Uncle Sam for gold, being moderately fed up with the embarrassing influx of gold which last spring precipitated the gold scare. It is not felt, however, that the U. S. will see, or permit, any large scale exodus of gold.

* * *

Cheapening Pound

Under the present circumstances, the only possibility of a short term increase in gold prices would be if the London price continues to rise, resulting in a pound so cheap as to threaten United States exports. This would entail a pound of about $4.50 or $4.60. In the event of such a condition developing, it is felt that cooperative measures will be taken by Great Britain and the United States to fix the price of gold.

* * *

Long Term Trend Is Up

All this is particularly reassuring to investors in Canadian senior gold stocks, although there undoubtedly will be disappointment among a gullible few who firmly believed that gold prices were going higher, in time to help them with their Christmas shopping.

Moreover, there appears to be a growing conviction that, while an immediate increase in the official United States price is extremely unlikely, and that the idea is definitely abandoned by the administration, the long-term trend of gold is inevitably upward. Mounting debt burdens, it is argued, make higher gold prices eventually inevitable.

One of the shrewdest economists in the United States said this week to The Financial Post, "Gold will go to $100 an ounce before inflation has run its course."

* * *

Further Proration

Growing pains of Alberta's precocious young industry, oil, have been intensified by further proration to 35% of rated capacity.

Unfortunately, the crucial question as to how long this drastic restriction on production will have to be enforced, is at the present time unanswerable. The fact that this is normally a season of decreased activity at the refineries does not help the situation.

That the cut in allowable production from 45 to 35% is essential under present circumstances does not seem to be debatable. Nominal potential of the crude oil wells now producing is some 21,000 barrels a day. The market at present absorbs only between 10,000 and 11,000 barrels. Were restriction to 35% applicable to all wells, output would be brought down to about 7,350 barrels daily, but restriction is not applicable to wells producing 100 barrels per day or under, nor to the few producers which market their oil outside the Imperial and B. A. systems. Thus oil men estimated that the latest restriction will bring actual production down to some 10,000 barrels daily, leaving little leeway for new producers between supply and demand. Storage facilities at both Imperial and B. A. Oil are understood to be taxed to capacity, and oil operators are being asked to co-operate bp building additional storage space.

Meanwhile current earnings of the Alberta oil stocks are being curtailed.

* * *

Depletion Allowances

With the redemption of the last of the tax-free bonds, the depletion allowance which Income Tax Department allows on mining and oil stocks, remains the only form of tax-free "income" available from any Canadian securities.

The depletion allowance for all dividends from Canadian gold and base metal mines is 20%. This figure is also usually allowed for Canadian oil producers, but some important exceptions are made.

The tax free nature of 20% of income from the mines is being advanced by some as a reason for purchasing such stocks. While in some respects this argument is sound, the investor should not be misled by it into a misconception of the purpose of this allowance.

The allowance of 20% on income from mining stocks is made for a definite reason. A mine is a wasting asset and all recognized forms of accounting therefore regard varying proportions of the income as a return of capital. This is such an obvious precaution that taxing authorities cannot afford to ignore it, although in recent years they have reduced the allowance to figures which many mining men consider too low.

It is difficult to strike a comparison between the late tax-free bonds, which were created solely as an inducement to buy bonds during a crisis, and the depletion allowance on mining income, which is simply a recognition of a genuine condition and not added as an inducement to buy mining stocks.

* * *

Royalite's $6 Millions

Royalite Oil Co., operating subsidiary of Imperial Oil Ltd., has brought total dividends paid since its incorporation to well over $6 millions, with the declaration of a 50-cent regular dividend plus 25 cents extra, payable Dec. 1. This brings total payments this year to $1.50 a share, and makes the 19th dividend payment since the initial $64,006 was paid in 1923. In that year, payments of $2 per share were made, but the outstanding stock was only 32,003, as against 703,137 shares presently outstanding of a one million share authorized capital.

Since this is the fifth consecutive 50- plus 25-cent payment made by this company, it is apparent that the directors are nearing the stabilized dividend basis understood to be their objective.

* * *

Index of Mining Stocks

Interest in mines on the opening day of the week ended Nov. 11 was mostly centred on gold issues which continued relatively firm, although price movements in base metals were still downward. The Dominion Bureau of Statistics' gold index fluctuated between 116.9 (Nov. 5) and 112.9 (Nov. 10), showing its first appreciable decline in November on the final day of the week under review. Lower copper prices were accompanied by a steady decline in the base metal group, the index receding 18.5 points between Nov. 1 and 8. Two days of recovery failed to erase the preceding losses. The Bureau's general index of 24 mining issues moved higher from 129.1 for the week of Nov. 4 to 130.7 for the week of Nov. 11. The gold section rose from 111.9 to 1115.6, while base metals declined from 200.1 to 191.3.

Mining Dividends

	Rate	Close Nov. 15	Yield %
Anglo-Huronian	20c	3.65	...
Beattie Gold	5c	1.28	...
Bralorne	40c+35c	7.85	*9.5
Buff. Ankerite	50c+22½c	11.50	*6.7
Bulolo Gold	$3	27.00	11.1
Can. Malartic	†5c	.97	...
Cariboo	10c	1.65	6.1
Central Patricia	12c	2.55	...
Coniagas	12½c	2.00	...
Coniaurum	5c	1.40	...
Cons. Smelters	50c+$1	53.75	*2.8
Dome Mines	$4	46.00	8.7
Falconbridge	30c	5.20	5.8
Hollinger	65c+35c	12.50	*8
Howey Gold	4c	.29	...
Hudson Bay	$1.75	21.00	...
Inter. Mining	45c	9.37	...
Inter. Nickel, com.	$2+25c	44.00	5.1
Island Mountain	5c	.71	...
Kerr Lake	5c	.30	...
Kirk. Lake	9c	1.22	...
Lake Shore	$4+$1	51.50	*9.7
Lava Cap. M.	10c	.96	...
Little Long Lac	30c	4.75	6.3
Macassa	20c	5.10	3.9
McIntyre	$2	35.75	5.6
McKenzie Red Lake	9c	1.13	...
McKinley Sec	5c+2½c	.25	...
Noranda	‡$1.75	48.00	...
Nor. Can. Mining	6c	.65	...
Nipissing	37c	1.91	...
Placer Develop.	$1.20	15.00	8
Premier	12c+4c	2.15	*7.4
Pioneer, B.C.	40c	3.25	12.3
Pickle Crow	40c	5.55	7.2
Reno	12c	.57	...
San Antonio	14c	1.42	...
Sheep Creek	8c+2c	.93	*10.7
Siscoe	20c+1c	3.45	*6
Sudbury Basin	†10c	2.55	...
Sullivan Cons.	5c	1.02	4.9
Sylvanite	20c+5c	3.05	*8.2
Teck-Hughes	40c+5c	5.10	*8.8
Toburn	8c+1c	2.25	*4
Ventures	†12½c	4.90	...
Wright-Harg.	40c+30c	7.20	*10.4
Yankee Girl	1c	.20	...

‡Interim. †Initial.
*Yield includes bonus.

MANITOBA'S NEW PRODUCER

Plant of Gurney Gold Mines, the Cranberry Portage, Manitoba, producer, poured its first brick recently in the presence of directors and shareholders. The first two bricks were valued at about $18,000, with the mill in operation only a month. It is understood the company is aiming at a monthly recovery from its 125-ton mill of around $45,000. Ore in December will be coming entirely from underground, and at the same time exploration work on the 600-foot level will be resumed.

Buff. Ankerite Shows Advance

Ore Reserves Maintained, Bright 9 Mos. Report Shows

Nine months report of Buffalo Ankerite Gold Mines, covering the period from Jan. 1, to Sept. 30, 1937, shows that:

Earnings per share for the period amounted to 93 cents as against earnings for the full 12 months of 1936 of only 59 cents.

Working capital has grown from $279,054 at the end of Dec., 1936, to $550,182 at the end of September.

Mine operating costs were reduced from $4.31 per ton milled in 1936 to $3.97 per ton in the nine-month period.

Recovery per ton which averaged $6.96 in 1936, averaged $8.06 per ton for the first nine months of this year.

Finally, ore reserves have been more than maintained.

R. P. Kinkel, mine manager, reports that the No. 5 shaft, which has a present objective of 3,000 feet is well under way.

General development on the 1,050-ft. level is almost completed. Stopes are being prepared, and the cut and fill method will be used extensively in this area. In the last three months, ore reserves have been maintained by developing ore equal to the amount milled. The south veins have produced the proportional requirements for the south mill. Salvage operations in old stopes are yielding considerable tonnage of average grade ore. Diamond drilling has proved several important structures on upper levels, Mr. Kinkel says.

Quarterly Earnings
Nine Months Ended Sept. 30, 1937

	$
Net production	2,033,154
Less Expenses:	
Mining	533,550
Milling	208,537
General	151,735
Develop. & explor.	140,970
Depreciation	103,984
Net oper. profit	894,378
Add: Int. earned	3,425
Gross profit	897,803
Less: Develop. w/o	117,995
Cost of No. 5 shaft w/o	20,830
Prov. for taxes	103,210
Net profit	855,768
Less: Dividends	350,839
Surplus for period	304,929
Add: Previous surplus	417,063
Duty rebate	898
Less: Workmen's comp., 1936	6,922
Balance forward	715,963
Earns. per Share and Divd. Record:	
Earned	$0.93
Paid	0.50

Hold Up Lateral Work At Faulkenham Lake Gold

Because of disturbed market conditions directors of Faulkenham Lake Gold Mines deem it advisable to curtail further underground development for the time being, says Colin A. Campbell, president, in a progress report. It is proposed to do some deep drilling before resuming shaft sinking or further lateral development, and A. H. Honsberger mine manager, is having the property completely mapped in preparation for this.

Considerable underground development has been carried out, principally on the 125- and 325-ft. levels, since issuance of the last progress report. Results on the upper level have given greatest encouragement. On the 225-ft. level no work has been done other than to crosscut to the vein, and on the 325-ft. horizon conditions were not found quite as satisfactory as above. Expectations are that at greater depth conditions conducive to ore deposition will be more pronounced.

A small crew is at present keeping the workings in condition and continuing surface exploration toward the Madsen boundary.

Mining Options

Naybob Gold Mines—Has received payment for Oct. 10 installment, covering 25,000 shares at 42 cents per share under agreement June 16 last. Upon this installment a 30-day extension was granted. Balance of underwriting covers 500,000 shares at 42 cents per share, payable in monthly installments. Total issued capital is 2,317,143 of an authorized 3,500,000 shares.

Normetal Mining Corp. — An additional 118,894 shares have been taken up at 75 cents per share under agreement Feb. 3, 1937. This completes underwriting; no options or underwritings are now outstanding on treasury shares. Total of 3,755,012 shares are issued of an authorized 4,000,000 shares.

Gillies Lake-Porcupine — Has received payment for 50,000 shares at 12½ cents per share part of underwriting on 100,000 shares at 12½ cents per share under agreement recently made. Balance of underwriting is payable within 30 days. There is also an option outstanding on 500,000 shares at prices ranging from 20-40 cents per share, payable in installments of 100,000 shares beginning Jan. 3. Total issued capital is 2,149,900 shares of an authorized 2,750,000 shares.

Red Crest Gold Mines—Has received payment for an additional 10,000 shares at 35 cents per share under agreement Mar. 20, 1936. Balance of option covers 240,500 shares at 35 cents per share and 500,000 shares at 50 cents per share. Total issued capital is now 2,259,500 of an authorized 3,000,000 shares.

Pacalta Oils — Option agreement dated Aug. 25 last has been terminated since first installment, due by Oct. 31, was not taken up. Agreement covered 400,000 shares at 20 cents per share and 300,000 shares at 25 cents per share.

Royalite Oil — Has issued 55 treasury shares to Calgary & Edmonton Corp., bringing Royalite's issued capital to 703,137 no par value shares of an authorized 1,000,000 shares.

News Concentrates

Abbeville Gold — reports shaft sinking at its Rouyn twp. property is going forward according to the programme laid out by Murray D. Kennedy, consultant. Present prospect shaft will be sunk to initial depth of 100 ft.; necessary equipment is now being installed.

* * *

Ackerman Gold Mines — has resumed shaft sinking in Hastings county, southeastern Ontario. Work of installing steam mining plant and slashing out the old shaft to two compartment size has been completed. Shaft will be continued to 150 ft. and a level established at 125 ft., where drifting north and south will be done on main or shaft vein. Former operator was Moira Gold Syndicate.

* * *

Ainsworth Mines, operating the Banker, Townsite and Albion properties at Ainsworth, Kootenay Lake district of British Columbia, advises that raise on Banker vein from long crosscut tunnel has intersected 5 ft. of good ore, 2 ft. of which is high grade and remainder regular mine grade. This, it appears from present indication, will be as wide as on 140-ft. level.

* * *

Arrowhead Gold Mines in Joannes twp., Quebec, reports that 4,400 tons of indicated ore grade between $17-$18 per ton on average. Some sections of this ore will run as high as $35-$40 per ton, though this is not to be taken as average.

* * *

Barber - Larder Mines — in McGarry twp., Larder Lake mining division, southwest of Kerr-Addison, reports that No. 38 diamond drill hole returned 13.2 ft. assaying $107 in gold per ton. It was spotted to cut zone below hole No. 10 in northeast section of property. No. 39 hole, 1,200 ft. west of No. 38, cut a 5-ft. section assaying $32.70. Drilling so far has indicated a length of 1,200 ft. J. J. Harris, resident geologist, is preparing estimates and plans for installation of a mining plant. Proposed shaft will be carried to 500 ft., it is understood, and four levels established.

* * *

Cook Lake Gold Mines—states in a progress report to shareholders that additional claims adjoining original holdings have been acquired and fully paid for in recent months. Three veins, about 15 ft. apart have been opened and traced for about 600 ft. to date. Approximately 32 tons of ore were shipped to Little Long Lac Gold Mines for testing, the veins being trenched for some distance along strike. Ore is reported to have run $27.68 per ton across average width of 23 in. Cook Lake is sinking a vertical shaft adjoining the veins and will continue this work through the winter.

* * *

Darwin Gold Mines in Michipicoten area of Ontario, reports October production at $9,959 from treatment of 1,147 tons of ore, average recovery being $8.68 per ton. Average recovery per ton in September was $14.92, when production was $17,878 from treatment of 1,209 tons. For the first 10 months of this year production has been $204.304. Considerable development rock is going to the mill as company is now doing extensive lateral exploration.

* * *

Dawson-White Gold Mines has been declared bankrupt through an order made at Osgoode Hall, Toronto. A receiving order has been issued against company. Dawson-White recently suspended work at its property in Sturgeon Lake area of Ontario because of inability to raise funds with which to continue. Previously, a limited amount of work was carried out on two levels.

* * *

Delosha Porcupine Mines has started diamond drilling on its five-claim property in Falconbridge twp., Ont., within 1½ miles of Falconbridge Nickel Mines. S. L. MacDonald, engineer in charge, reports that No. 1 hole, near southern boundary, is spotted to cut across entire zone uncovered on surface. Proved width of schisted zone in which ore occurs as a series of lenses is 18 ft. Engineer advises preliminary sampling has yielded encouraging results.

* * *

Goldbanks Mines — advises that diamond drilling contract calling for 2,000 ft. of drilling at its West Kirkland Lake property is almost half completed. No returns have yet been received on core assays of No. 14 hole. Next hole will undercut No. 7, from which values ranging from $2.10 to $26.95 were obtained. Channel samples from No. 2 shaft, sunk on a blue quartz vein, returned $5.75 over 9 in. and $1.75 over 2 ft.

* * *

Lacoma Gold Mine is expected shortly to begin drilling from 125 and 240-ft. levels of its property in Tavernier twp., Quebec. Funds have been secured for additional exploration. J. J. Harris, consulting geologist, recommends that further lateral work be done on some of the veins, four of which were cut in drilling early this year. Holes will be fanned out below the 240-ft. level.

* * *

MacFarlane Long Lac has begun cutting the first station in the shaft at its property in Little Long Lac area of Ontario. Shaft is down over 120 ft. First level will be established at 134 ft. At the 120-ft. level there are indications that ore zone will cross shaft with most interesting section so far encountered, according to Frank J. McFarlane, president. Drifting will start east and west at 134-ft. horizon to intersect vein at points cut by diamond drilling.

* * *

Manor Gold Mines advises that new headframe has been completed on its Larder Lake property. Complete mining plant now on property will allow present 500-ft. shaft to be deepened to 1,000 ft. if necessary.

* * *

Matona Gold Mines owning 19 claims in Tyrrell twp., Matachewan area of Ontario, is negotiating for additional funds and overhauling equipment before continuing exploration on 215-ft. level. Drift was just entering section in which it is believed shaft and main veins come together on 215-ft horizon when work was stopped. Values of over $11 were obtained from channel sampling.

* * *

New Ribago Mines reports that diamond drilling, directed by Noranda Mines, is in progress at its property in Rouyn area, Quebec. A copper-gold showing traced for 2,000 ft. will be explored by holes sunk at intervals of 200 ft. First drilling will be done toward the west end of the showing. Under its agreement with New Ribago, Noranda has agreed to options on 2,200,000 shares. These options, if fully exercised, will give Noranda control of company. New Ribago is financing current work; first options are not due until early in 1938. No cash payment has been made.

* * *

Oliver Severn Gold reports that good progress is being made with extensive programme of diamond drilling planned for its property in Lake of the Woods district near the interprovincial boundary. First shallow hole, sunk to 150 ft., returned values of $39.90 over width of two ft. Results of second hole are not yet available.

* * *

Upper Seine Gold Mines has begun diamond drilling on "Reef structure" at its property in Kenora district, reports W. N. McClintock, engineer in charge. This zone comes into Upper Seine property from Hammond Reef holdings, on which a 50-stamp mill was operated in 1897. Reef extends across Upper Seine for over 3,000 ft. Further development here will be based upon results of drilling now in progress. Main shaft on Sawbill vein will be dewatered before lateral work is resumed on 240-ft. level. Company proposes to extend 240-ft. level to open ore indicated in surface sampling.

* * *

Gold Fern Mines at Nelson, B.C., is completing plans to assure financing of first unit of a mill, which will overcome costs of trucking and treating ore at Trail smelter. Preparations are being made to complete the tunnel on fifth level.

* * *

Algold Mines reports new mid-west ore body has been opened on surface for 180 ft., with free gold showing for 100 ft. of this distance. Average width here is about 4 ft. Subsequent work on 200 ft. level has proved that vein picked up in early development is downward continuation of the mid-west vein, thereby extending depth to this horizon.

* * *

Madsen Red Lake Gold reports that developments minewise look encouraging. It is unofficially stated that drift on third or 500-ft. level has advanced about 100 ft. and that values so far conform with results secured by diamond drilling. On two upper levels drifting is said to have indicated a substantial tonnage of ore, with cut average grade of $8.17 per ton. Company has approximately $400,000 in its treasury.

East Malartic Mines To Select New Mill Site

From Our Own Correspondent

MONTREAL. — East Malartic Mines will have to select a new mill site because two diamond drill holes under the proposed mill site 500 feet east of the No. 3 shaft have both cut wide ore sections, according to a progress report issued by J. P. Norrie, general manager, for the period Oct. 16 to 31.

During the two weeks' period the No. 3 shaft was extended 58.7 feet to 336 feet. A station at 335 feet has been advanced 16 feet.

Driving on the first level, according to the report, has entered the ore zone where an area, opened up by two drifts, indicated average values of $8 a ton over a length of 30 feet and width of 40 feet which extends east and west in ore.

Oil Group Pays Extras

Imperial Companies Will Pay a Total of $40.6 Millions on Dec. 1

Extra dividends have again been declared by the Imperial Oil Ltd. group of companies at the same rates as have prevailed recently.

Imperial Oil Ltd. is paying an extra of 37½ cents a share along with the regular semi-annual dividend of 25 cents a share, both payable Dec. 1, 1937, to shareholders of record Nov. 17. Holders of bearer share warrants will present coupon No. 48. This will bring total payments by Imperial Oil to $1.25 a share for 1937.

International Petroleum Co. is paying an extra of 50 cents a share along with the regular payment of 75 cents a share, both payable Dec. 1, 1937, to shareholders of record Nov. 19. Holders of bearer share warrants should present coupon No. 48.

It is expected that the annual report of International Petroleum Co., covering the fiscal year ended June 30, 1937, will be issued around Dec. 1.

Andian National Corp. will pay an extra dividend of $1 a share with the regular semi-annual payment of the same amount on Dec. 1, 1937, to shareholders of record Nov. 20. In this case holders of bearer share warrants should present coupon No. 18.

Royalite Oil Co. is paying 50 cents a share as the regular semi-annual dividend, plus an extra of 25 cents a share, on Dec. 1, 1937, to shareholders of record Nov. 19.

Payments of these dividends will require approximately the following amounts of money: Imperial Oil, $16,853,173; International Petroleum, $17,905,110, plus $250,000 paid to holders of preferred stock; Andian National, $5,100,000; Royalite Oil, $523,159; a total of $40,631,442.

Not all of this, of course, is passed on to the public. Imperial Oil, for example, holds approximately 60% of outstanding stock of International Petroleum and 68% of Royalite stock, while International Petroleum is understood to hold a substantial, but unstated, interest in Andian National. Standard Oil Co. of New Jersey also holds approximately 70.08% of the outstanding shares of Imperial Oil.

International Pete Production Increases

International Petroleum Co. reports a substantial increase in crude petroleum production in both Peru and Colombia for Oct., 1937, as compared with September. For Colombia the month's production is the highest reported so far this year.

Average daily production for October was 98,286 barrels, compared with 94,133 in September. For the year 1937 to the end of October, daily production has averaged 95,657 barrels.

October production from Peru was 1,235,120 barrels and 1,811,759 from Colombia, making a total of 3,046,879 barrels. For the ten months of 1937, production has totalled 28,984,133 barrels.

Third Edition

The Department of Mines and Resources has issued a third edition of the new map of Canada, on a 100-mile-to-the-inch scale. Since this was first published about two years ago over 20,000 copies have been distributed to applicants in all parts of the Dominion and abroad.

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A tabular comparison of thirty of the more important Canadian Gold Mining Companies
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Can. Gypsum Buys Factory

Will Produce New Line of Building Materials

Plans for expansion of facilities and production of a new line of building material specialties particularly suitable for residential building, are behind announced purchase by Canadian Gypsum Co. of industrial acreage and factory building at Weston, near Toronto. Including the purchase and reconditioning of the property and installation of equipment for production of the special materials by new manufacturing processes, the expansion programme calls for a budget of at least $100,000.

The company, Canadian operating unit of U. S. Gypsum Co., expects to commence actual production at its new plant early next spring. The property just acquired, through cooperation of the Toronto Industrial Commission, includes the old Roman Stone plant, covering nearly an acre of floor space, and four acres of adjacent property.

Existing Plants

The company already operates gypsum plants at Hagersville, Ont.; Windsor, N.S.; and Hillsboro, N.B.; a lime plant at Guelph, and the Toronto Asphalt Roofing plant at Mount Dennis, Toronto suburb. Proximity of the roofing plant was a factor in selection of the property at Weston. Selling and manufacturing patent connections are maintained with uncontrolled firms in the western provinces.

Canadian Gypsum functioned as Canadian sales outlet for United States Gypsum Co. products from 1907 to 1925, but since the latter year has operated to an increasing extent in the mining, manufacture and distribution of building products in this country. The expansion involved in acquisition of the Weston property, the first major extension of the company's facilities since the Toronto Asphalt Roofing Manufacturing Co. in 1935, is attributed by company officials to anticipated acceleration of construction activity in Canada.

Northern Canada Changing Set-up

To submit to shareholders the question of distributing 1,000,000 shares of Kirkland Lake Gold Mining Co., which it holds, Northern Canada Mining Corp. has called a special general meeting for 10 a.m. on Dec. 1 at the King Edward Hotel, Toronto. Also to be presented to shareholders for their consideration is the plan to form a new company which would issue 1,000,000 shares to present Northern Canada stockholders.

New company to be formed would take over all other assets of Northern Canada, including its lengthy list of investments, among which are shares of Argosy, American Car & Foundry, Bankfield, Brett-Trethewey, B. C. Packers, Casummit-Birch Lake Syndicate, God's Lake, Hollinger, Imperial Oil, Jowsey Island, Kirkland Lake Gold Mining, Kirkland Basin Gold, McKenzie Red Lake, Montreal L. H. & P., National City Bank of New York, Pacific Eastern, Rocdor Gold, Western Canada Flour Mills and Nordarm Long Lac.

Canadian Western Gas Pays Third $1 Dividend

The Canadian Western Natural Gas, Light, Heat and Power Co., Ltd., has declared a dividend of $1 per share on its ordinary stock, payable Dec. 15, 1937, to shareholders of record Dec. 14. This will be the third $1 dividend paid in 1937. Dominion Gas & Electric Co., which owns over 95% of the outstanding ordinary shares, receives the major portion of the $240,000 distributed this year.

Stadacona Rouyn Mines Plan Independent Survey

From Our Own Correspondent

MONTREAL.—Futterer and Reid, consulting engineers of Toronto, have been engaged by Stadacona Rouyn Mines Ltd. to make an independent report on the property and to make recommendations as to future policy, according to an announcement made by Roy Anderson, managing director.

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The Senior Golds —

Market Strength Conspicuous Against Background of Industrial Declines and Slower Business Tempo — Possibility of Change in Gold Price Fading, Washington Developments Indicate

BY WILRID SANDERS
Mining Editor, The Financial Post

The trend in senior gold stocks, while not constituting a boom has been sufficiently strong in recent weeks to make these issues stand out sharply against the generally declining market prices of other listed stocks, and the marked slowing up of business.

Over a month ago, an article in The Financial Post pointed out the comparatively high yields which these golds were paying at that time. Since then, prices of these stocks have advanced to some extent, but not sufficiently to alter the fact that yields are still materially higher than they were prior to the gold scare of last summer.

The following table shows how yields of today compare with the general picture a year ago, in the case of seven of the outstanding senior dividend payers:

Stock:	Price year ago $	Yield year ago %	Current price $	Current yield %
Bralorne	8.70	5.1	7.80	9.6
Dome	55.75	7.2	47.25	8.4
Hollinger	13.75	6.9	12.50	7.6
Lake Shore	57.30	6.9	52.00	9.6
McIntyre Por.	42.75	4.7	37.50	5.3
Teck-Hughes	5.15	8.7	5.15	8.7
Wright-Harg.	7.60	7.9	7.60	9.2
Average yield	....	6.7	....	8.3

No Change Likely

Obviously, these figures mean nothing unless taken in conjunction with the economics of gold. If the indications are that the price these mines receive for their product will shortly be drastically reduced, a yield of 8% might be unattractively low, in view of future earnings probabilities. If, on the other hand, the price were to be raised, the yields in such established mines is patently attractive.

The best informed interpretation of the gold price situation tends to the belief that neither of the above developments appears likely in the immediate future. There appears to be a possibility that flight money will continue to seek a haven in gold hoarding, and, accordingly, that the London price of gold may go higher, or continue on its present level of somewhat higher than the Washington price of $35 per ounce. It is roughly estimated that it costs Canadian mines in shipping charges about 23 cents an ounce to ship gold to London, as against Washington, so that the London price would have to rise that much higher to afford Canadian mines a premium.

Washington observers believe that the higher London price will not induce Washington to raise its bid for the metal. The memory of the recent inrush of gold is still too embarrassingly fresh to allow of any desire to outbid London unless the London price goes above 150s.

From time to time, the report is heard that the U. S. Government intends to increase its bid price for gold, as a method of stimulating flagging business. This is also discounted by most Washington observers who regard such a step as only the last and much-to-be-avoided resort.

This then seems fairly evident now; fears of a decrease in the gold price are considerably weaker today than six months ago and hopes for a higher official price are remote.

This is about as tangible a basis as one can formulate for an individual study of the senior gold stocks.

Lake Shore

Highest price Canadian gold stock at the present time is Lake Shore Gold Mines, the largest gold producer in Canada.

This Kirkland Lake producer's fiscal year ends on June 30. In the 1937 fiscal period earnings were $4.19 per share, compared with $4.88 in 1936. Dividends paid in these two periods amounted to $6 and $4 per share respectively, so that part of the 1937 dividends were paid from the company's enormous surplus. It is generally expected that earnings this year will be approximately the same as last, since the company will continue to have heavy expenditures in connection with the new shaft. While operating costs may be slightly higher this year, owing to wage increases and a higher average in commodity prices, these are expected to be more than offset by the higher grade of ore now being treated. In the 1936-1937 fiscal period, the company was forced to treat a larger amount of development ore owing to a change-over in mining methods.

When Lake Shore's development expenditures in connection with the new shaft are over, development and mining costs should show a decrease.

Ore For 15 Years

The company has always maintained a generous dividend policy, which accounts for the fact that its yield, as shown in the table above, is one of the highest in the list.

While ore reserves have not been estimated in tons, indications are that the company has, on the present basis, sufficient ore for at least 15 years. The lowest working level is at 4,450 feet, and there has been no intimation that the two main productive veins have been bottomed.

At the end of last June, the company's working capital amounted to $7,927,273. Authorized and issued capitalization of two million shares is low for an operation of this size. The stock is well distributed.

Dome Mines

Dome Mines, which at current prices of around $56 per share is yielding over 8%, is the Lake Shore of the Porcupine camp. In 1936, Dome earned $4.26 a share, and paid $4 in dividends and extras. Nine months earnings figures for 1937 indicate that this year's net will be slightly higher, since, for the nine months ended Sept. 30, net profit amounted to $3.37 as against $3.18 in the 1936 nine month period. This increase is due to higher tonnage treated, and slightly higher grade.

Looking further ahead, 1938 earnings will be augmented by income from the company's subsidiary, Sigma Mines, which started production in March, 1937, and declared its first dividend of one cent per share (old stock) in September. Dome is understood to own in the neighborhood of 1.8 million shares of Sigma, which is in good shape.

The Porcupine property of Dome showed ore reserves of about 2,250,000 tons, sufficient. at the present tonnage basis, for four years. This margin has been maintained since 1927.

Dome's working capital at the end of 1936 stood at $6.9 millions.

McIntyre-Porcupine

McIntyre Porcupine Gold Mines, another Porcupine senior, shows the lowest current yield of the senior golds, chiefly because of the fact that this company is committed to a policy of sacrificing dividend payments for the sake of building up a liquid reserve. Dividend payments have been about half earnings. The ultimate objective of such a policy is, of course, to ensure that the life of the company will not be contingent on the life of the mine. So successful has McIntyre been with this policy that, taking securities at market value, working capital at the end of last year of $19,212,962 was equivalent to about $24 in liquid assets per share, over and above the shareholders equity in the mine. This policy, while sacrificing the yield, gives the stock greater stability, and the company more the color of an investment trust.

In McIntyre's fiscal year ended March 31 1937, net profit amounted to $4.29 per share, of which $2 was paid in dividends. From that time until the end of September, a period of six months. per share net profit was $2.20. McIntyre's earnings this year are expected to be about the same as last. The market value of the company's investment has undoubtedly declined somewhat, but such investments are preponderantly in the high-grade class.

The company is actively engaged in the search for outside properties, and recently acquired, and is operating the old Vipond mine, in cooperation with Anglo - Huronian, having organized Mace Gold Mines for this purpose. This property, under Anglo-Huronian produced over $8 millions in ore in the years 1924 to 1937 inclusive, and should be a source of some revenue for McIntyre. Another producing subsidiary of McIntyre is Belleterre Mines in Quebec, whose mill started up in 1936.

McIntyre's property at Porcupine is in excellent shape, with a four-year margin of ore ahead of what is generally regarded as being one of the most efficient mills in the north country.

Hollinger Consolidated

Hollinger Consolidated Gold Mines is Canada's veteran producer, having been in production since 1911. Since gold prices started rising from the old standard price of $20.67 the company has been treating large quantities of ore which would not have been commercial under the old price. Accordingly the recovery in ounces has been lowered, but net profit has been maintained and the life of the mine immeasurably lengthened.

Hollinger's 1936 earnings of $1.18 should be maintained this year, together with dividend payments of about $1.05. The company, although among the most active in developing outside properties, has always been generous with its dividends. These outside concerns, with the exception of Young Davidson Mine and perhaps the Ross Mine in Hislop twp. have not been large contributors to earnings as yet, but the company has some fair looking prospects under development.

Ore reserves have been maintained at around seven million tons, grading about $12 per ton. Treatment of the lower grade ore on the upper levels has postponed deeper development and these horizons are still ahead of the company. The company is remodelling its plant at present and sinking a new central shaft, operations which are expected to reduce operating costs and increase efficiency.

Working capital at the end of the year stood at about $1.5 million.

Wright-Hargreaves

Wright - Hargreaves Mines, at Kirkland Lake, completed its fiscal year on Aug. 31 last, again earning in that period 72 cents per share. For the past two or three years this company has been outlining ore faster than it is being milled, with the result that gross value of ore at the end of August was estimated at $27,197,275. Market valuation at present prices of around $7.60 per share is $41.8 millions. Working capital at the end of last year was the highest in the company's history at over $4.5 millions.

During the past year, slight drop in grade has been compensated for by greater tonnage handled, and is consistent with the company's policy of treating marginal grade ore. Major work has been centred around the 3,000-foot level, but work done below this level disclosed considerable ore of good grade.

Earnings in the current year, based on present tonnage grade and costs is expected to be on the same level as for the past two years.

It is significant to note that Wright - Hargreaves, which was formerly barred by its charter from exploring for outside properties, has now adopted the policy of the other senior gold mines, and is understood to be seeking a subsidiary prospect.

Teck-Hughes

Teck-Hughes Gold Mines, while its Kirkland Lake property has apparently passed its earnings peak, is fortunate in having as a subsidiary Lamaque Gold Mines, in Quebec. This company's highest per share earnings, 77 cents, came in 1932. In the fiscal year ended Aug 31, 1937, the company is officially estimated to have earned 46 cents per share, as compared with 50 cents the previous year. Positive ore reserves dropped slightly in both tonnage and grade. In view of the fact that Lamaque dividends are not expected to be available to the parent company until 1939, there seems little likelihood of an increase in Teck's earnings this year, and dividends are expected to be maintained at around 45 cents per share.

Bralorne

Bralorne Mines, the Bridge River, B.C., gold producer, qualifies for entry in a discussion of senior gold stock by its actions this year. Production started in 1932 at 100 tons daily, and has gradually been stepped up to 550 tons per day. New equipment to achieve this capacity was recently installed. In the past two years the company has increased its ore reserves which now stand at over 500,000 tons grading 0.45 ounces per ton. Outlook for further development of ore appears promising. Working capital has grown from a deficit position of some $36,000 at the end of 1932 to a surplus of $927,249 at the end of 1936.

Bralorne, which last year earned 60 cents per share on its 1,247,000 shares outstanding raised its dividend rate to 10 cents regular plus 10 cents extra each quarter with the payment of April 15, 1937.

Plan to Mine Alberta Salt

Sufficient salt to supply Canada's needs on the present consumption basis for 60 years are contained in the rock salt deposits or northern Alberta, according to Prof. John A. Allan, professor of geology, University of Alberta, writing in the October issue of the Bulletin, Canadian Institute of Mining and Metallurgy.

Active development of this deposit, one of the largest known in Canada, will start possibly before the end of the year. Industrial Minerals Ltd. have just completed erection of a plant at Waterways, and initial plans call for an initial production of 75 tons daily. Coal for the plant's operations will be supplied from near Edmonton.

Mining Options

Gillies Lake-Porcupine—Oct. 31 installment covering option on 50,000 shares at 40 cents per share, under agreement Aug 19 last was not met; agreement has been terminated for default. Company advises new agreement will shortly be entered into. Total issued capital is 2,099,900 of an authorized 2,750,000 shares.

East Crest Oil—By agreement Oct. 22, 1937, 100,000 shares were underwritten at 10 cents per share. Upon this $5,000 has already been paid; balance of $5,000 to be paid by Dec. 2. Option has been granted on 1,250,000 shares as follows: 100,000 at 10 cents by Feb. 2, 1938; 100,000 at 12½ cents by Apr. 2; 200,000 at 15 cents by May 2; 200,000 at 20 cents by June 2; 200,000 at 30 cents by July 2; 200,000 at 40 cents by Aug. 2; 250,000 shares at 50 cents by Sept. 2. It is provided that in case of any default option shall not be forfeited until optionee has been given 10 days' notice by company, and that payment within 10-day period will cure the default.

International Mining Corp. — Purchased during October an additional 14,100 shares of its common stock, bringing total reacquired by company to date to 37,000 shares. Issued capital is now 561,373 shares, of which 524,373 are outstanding and in hands of the public and 37,000 shares held in treasury of the corporation.

Minto Gold Mines—Has obtained registration from British Columbia superintendent of brokers authorizing sale of 100,000 shares as fully paid at price 6 cents per share, subject to deduction of commission or brokerage of not more than 1 cent per share, provided that shares shall be offered only to present shareholders. Proceeds to be used only for carrying out such further development work as is recommended in engineer's report dated Oct. 15, 1935.

Gold Belt Mining—Has had an additional 50,000 shares taken up at 30 cents per share under agreement June 1, 1937. Payment covers balance of Nov. 10 installment, Dec. 10 installment and part of Jan. 10 payment. There remains under option a total of 530,000 shares at 30 cents. Total issued capitalization is now 2,270,000 shares of an authorized 3,000,000 shares.

Toronto Lists Pan. Cadillac

New Shaft Being Sunk to 500 Feet at Quebec Property

Pandora Cadillac Gold Mines, holding 1,100 acres in Cadillac twp., Quebec, has been approved for listing and posted for trading by the Toronto Stock Exchange. Ticker abbreviation is PDN. On the property is a complete new electrical plant, together with an old steam mining plant at the No. 1 shaft. This has been sunk to 500 feet, and lateral work on four levels has indicated an ore body of about 45,000 tons. average width being 35 inches and value $11 per ton.

Nine thousand feet from the No. 1 shaft a diamond drilling campaign disclosed values along length of 1,500 feet. The company has let a sinking contract for a new shaft, which it plans to sink to 500 feet.

Pandora Cadillac was incorporated June 2, 1936 under Ontario charter. Authorized capital is 3,000,000 $1 par value shares, of which 2,660,007 are outstanding. The 1,400,000 shares issued to Canadian Pandora Gold Mines for properties are escrowed at discretion of the Ontario Securities Commission and the Toronto Stock Exchange.

As at Aug. 31 cash in banks totalled $99,296, accounts payable amounted to $1,817.

Directors of Pandora Cadillac Gold Mines are: W. A. Taylor, president, New Liskeard; D. A. Mutch, vice-president, Haileybury; F. L. Hutchinson, secretary-treasurer, H. W. Sutcliffe, New Liskeard; T. J. Day, C. A. Gentles and N. E. Phipps, Toronto.

Reward Mining Corp. Issue Stock For Property

From Our Own Correspondent

MONTREAL. — Reward Mining Co. has notified the Montreal Curb Market that 150,000 shares of the company's treasury stock have been issued in payment of $27,500 in cash, and 22,500 shares have been issued in accordance with an agreement dated April 22, 1936.

The 150,000 shares have been issued in payment of property held under option by the company on which there was due and owing $27,500 in cash. The company at present has title to the property.

Mining Company Charters

Emily Bay Gold Mining Syndicate—Ont. incorp. Oct. 28, 1937. H. O., Toronto. Auth cap. 35,000 shares, $1 par.

Fish Lake Gold Mining Syndicate—Ont. incorp. Oct. 21, 1937. H. O., Toronto. Auth. cap. 35,000 shares, $1 par.

Golden Glow Collieries — B. C. incorp. Nov. 1, 1937. Auth. cap. 30,000 shares, $1 par. H. O., Princeton, B.C.

CHANGE OF NAME

Bartleman - Bourkes Gold Mines — By order of the Ontario Provincial Secretary, Oct 16, 1937, has changed its name to Mesabi Gold Mines.

SURRENDER OF CHARTER

Parkhill Gold Mines — Has surrendered its charter as at Oct. 21, 1937, and by order of the Ontario Provincial Secretary will be dissolved as and from Nov. 15, 1937.

EXTRA-PROVINCIAL COMPANIES

The Iron Mountain — B. C. registration Oct. 28, 1937. H. O., without province, San Francisco, Cal. H. O. in B. C., Nelson, B.C.

Velvet Gold-Copper Mines—B. C. registration Nov. 1. 1937. H. O., without province, Seattle, Wash. H. O. in province, Vancouver, B.C.

CAPITAL DECREASE

Regal Kirkland Gold Mines — Has been issued Ontario supplementary letters patent (Oct. 23, 1937) decreasing its capital from 3,000,000 shares, $1 par, to 2,000,000 shares, $1 par, by cancellation of 1,000,000 issued and outstanding shares of capital stock standing recorded on books of the company in name of Pawnee Kirkland Gold Mines.

Sheriff Will Auction Van Nickel Equipment

From Our Own Correspondent

SUDBURY. — Mining equipment, including a laboratory and assay plant, belonging to Van Nickel Mines, will be sold by sheriff's sale at Sudbury. The sale has been ordered by a writ handed down in the township of York county court to satisfy a judgment by Fred H. Westbeare, listed as secretary-treasurer.

Van Nickel Mines was incorporated about three years ago to acquire the property and liabilities of Delta Mines Syndicate on a basis of 400 shares per unit subject to pool. The property is a nickel prospect of 35 claims in three groups, in Drury township, west of Sudbury, near Worthington.

Norrie Optimistic Over Malartic Gold

According to a report by J. P. Norrie, general-manager, recent operations at the property of Malartic Gold Fields in Quebec's Malartic area have disclosed three important ore zones. Shaft sinking will shortly be started. Diamond drilling, Mr. Norrie states has demonstrated that the Canadian, Sladen, and East Malartic contact ore zone extends well into the property of Malartic Gold Fields.

Six diamond drill holes on one of the ore bodies have averaged $15.74 over an average width of four feet for a length of 750 feet. Five drill holes on the second ore body gave an average of $8 over 3.2 feet for a length of 450 feet. On the third ore body now being drilled four drill holes indicate an average width of four feet for a length of 300 feet of $5.20 grade, after eliminating coarse gold.

See New Use Of Tar Sands

Govt. Geologists Predict Commercial Production in Alberta

Faith in the bituminous sand deposits of the McMurray area of Alberta is expressed in an article which appeared in the October issue of the Bulletin, Canadian Institute of Mining & Metallurgy, written by S. C. Ellis and A. A. Swinnerton, department of mines and resources, Ottawa. The article was originally prepared as a paper read before the western meeting of the Institute.

The article, which summarizes the department's investigations of the area dating back to 1913, states that in many cases the formation reaches a thickness of not less than 200 feet, and that over large areas a workable thickness of at least 60 feet may be relied on.

Samples tested by the department for bitumen content gave different degrees of impregnation, an average of 12% being a reasonable estimate, in the opinion of the authors, for the sand within the area tested. Using this figure, it has been estimated that the bitumen content of that portion of the deposits regarded as adaptable to open-cut mining methods amounts to 90 million tons, or 500 million barrels.

Among the probable commercial applications of bitumen mentioned in the article are its use for surfacing streets and highways, in the manufacture of electrical insulating compounds and battery boxes.

Dolmage Describes Work At Hedley Mascot Gold

Reporting on development work at Hedley Mascot Gold Mines, in the Hedley camp of B. C., since the first of the year, Victor Dolmage, consulting geologist, states that work consisted in the exploration by diamond drilling of the ore found in December last. Some 11 holes were drilled into this ore zone, two of which were lost before reaching the zone; five showed only sub-commercial mineralization, and four showed good ore.

The ore indicated by the four successful holes has an average value of 0.64 ounces per ton, Dr. Dolmage reports.

"The failure as yet to find the continuation of this ore at any point outside the plane of this section," Dr. Dolmage continues, "renders it difficult to make any useful tonnage estimate. However, as it will run about 1,000 tons to the foot of length it cannot fail to contain an important amount of ore."

After a small amount of further drilling, it is now planned to open up the ore body by tunnelling.

Further encouragement has been received from surface exploration of the Nick of Time claims, the report states.

From Jan. 1, to Sept. 30, Hedley Mascot produced 43,325 tons giving $590,658 in gold; $2,363, in silver, and $32,727 in copper.

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Nipissing Mines Co.

Please comment on the outlook for Nipissing Mines Co. as regards earnings. Is it likely that profit per share will show a rise?

Nipissing Mines Co. gets its entire income in the form of dividends from the wholly-owned operating subsidiary, the Nipissing Mining Co. Earnings of Nipissing Mines Co. have fluctuated quite sharply in recent years, per share earnings of 12 cents in 1934 to 38 cents in 1935 and falling again to 24 cents in 1936. Dividend payments have been running fairly close to earnings.

At present the chief source of income is dividends from Beattie Gold Mine and from oil operations in Michigan. Both these sources should show increased earnings this year. which should be reflected in the per share earnings of Nipissing Mines Co. There is no reason, however, to believe that the increase will be particularly marked.

In the meantime the company is in a strong cash position. Net liquid assets of the operating company, exclusive of shares in other enterprises, were $2,095,456 at end of 1936, an amount equal to $1.75 per share on the parent company's outstanding stock. Management is capable.

Anglo-Huronian

How do you regard Anglo-Huronian? Your comments on this enterprise will be appreciated.

Anglo-Huronian is a holding and operating company actively engaged in mine financing and development. Its record financially has been good. At the end of July last working capital amounted to $7,069,492 compared with $5,698,955 in the previous year. In fiscal year ended July 31, 1937. earnings per share, including profits from sale of investments, totalled 80 cents, as against 86 cents in 1936.

The company paid dividends of 40 cents per share in 1935-6-7. It announced at the annual meeting held in October last that the next dividend, which will be paid Jan. 1, 1938. will be reduced to 10 cents per share, compared with previous payments of 20 cents per share at this time. This action is regarded generally as being sound since the company wishes to conserve its funds. In the past year the larger part of its income resulted from profits on sale of securities, which is, of course, a non-recurring form of income.

Anglo-Huronian is shrewdly managed, and the fact that such well-entrenched firms as Lehman Bros. and Consolidated Gold Fields of South Africa have purchased substantial interests in it gives it a stability which would otherwise be lacking. Much of its investment is in such young producers as Omega, Lamaque and Sigma Mines. This indicates that under normal circumstances Anglo-Huronian's revenue from dividends might in the future be expected to rise and take the place of return from investments and profit on sale of shares sold.

Gillies Lake-Porcupine

I hold some shares in Gillies Lake-Porcupine and should like you to give me a review of this company.

Gillies Lake - Porcupine Gold Mines, operating a producing gold property in Tisdale twp., Porcupine area of Ontario, is milling about 57 tons daily, although the mill is capable of handling 100 tons. A diamond drilling programme is now being carried out underground and until results are obtainable from it the company is holding in abeyance plans to increase output.

In the first six months of this year $105,828 was recovered from treatment of 10,326 tons of ore, grade being $10.25 per ton. Broken ore reserves were estimated in September last at about 17,000 tons; positive ore in place, 27,700 tons; probable ore, 17,000 tons, excluding possible development ore. Average grade was estimated at $10 per ton.

Current assets at Feb. 28, 1937, amounted to $41,998, against current liabilities of $9,813. Company is capitalized at 2,750,000 shares, $1 par, of which 2,099,900 shares are outstanding.

San Antonio Gold Mines

I should like a brief review of the situation at San Antonio Gold Mines, a property in which I am interested.

San Antonio Gold Mines has enjoyed marked success recently in underground developments at its property in Rice Lake area of Manitoba. Consequently, ore reserves, which stood at 197,846 tons at the end of 1936, should show material improvement when the annual report for 1937 appears. Last year the company earned the equivalent of 15 cents per share, as compared with 20 cents in 1935.

So far there has been little indication that 1937 earnings will be in excess of the 1936 figure. San Antonio has continued to pay dividends at the rate of 14 cents annually. It has a sincere and experienced directorate, and at Oct. 7 last reported that net working capital amounted to $586,995. For an operation of this size the capitalization of $2.5 millions is fairly moderate.

Production for the period Jan. 1-Oct. 7, 1937, amounted to $793,533 from 88,349 tons of ore milled, an average of $8.98 per ton. Costs, exclusive of income taxes and depreciation, amounted to $4.58 per ton. Company reported recently that developments on the lowest level, 1,500 ft., have been encouraging, as in addition to the No. 16 vein there has been encountered and partially developed an entirely new ore body which is known as No. 38 vein.

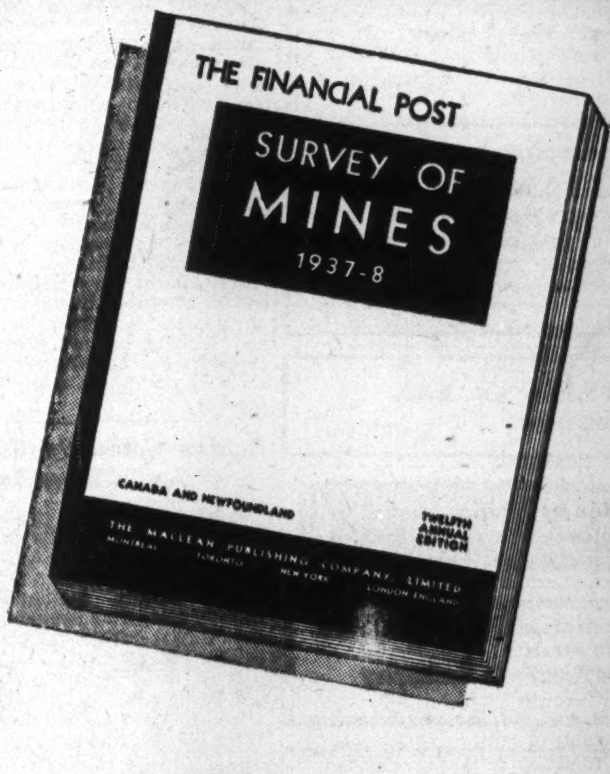
MacLeod-Cockshutt

The price I paid for MacLeod-Cockshutt shares was considerably above the present level. Such information as you can give me on the prospects for this company will be appreciated.

MacLeod-Cockshutt Gold Mines has had a fairly satisfactory development record and is now building a 300-ton mill, the crushing unit of which will have daily capacity of 500 tons. The shaft is being deepened and new levels opened at 650 and 800 feet.

This company is well financed and under experienced management. It estimated in July of this year that at that date 350,000 tons of ore had been developed, and that this total was expected shortly to be increased to 500,000 tons. This estimate did not include ore in the north zone, where some encouraging results had been obtained.

Progress toward production has been satisfactory. This stock in common with all mining issues, has suffered this year, the decline in this case being more marked because of the inflated prices which were at one time paid for it.



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The Voice of the Maritimes

The Islander of the Gulf

P.E.I. Is Apathetic Toward Reforms Of Constitution

By **HERBERT L. STEWART**

A trip I made last week to Prince Edward Island brought renewed evidence both of what is shared by all these Maritime Provinces and of what is distinctive in "the Islander."

"We are notable just for this," said a friend, "that here alone still floats the Banner of Prohibition." Enquiry as to whether prohibition is demonstrated on the island otherwise than by a legislative "Banner" drew forth ambiguous replies. But though a particular effort of singularity may be wise or unwise, successful or unsuccessful, in its working out, there is at least admirable courage in sticking to conviction. Did not Bacon say that in intellectual matters the poorest argument of all is appeal to general consent?

HERBERT L. STEWART

Naturally in Charlottetown, so memorable for the first steps to Confederation, one asks about present feeling toward the proposal to revise Confederation's basis. As yet at least, there is no discernible excitement. Interest is but faintly attracted by the alleged need to rescue that social legislation which has been doomed as ultra vires. In a province overwhelmingly agricultural, with no centres of extensive industry, the demand for unemployment insurance, for a statutory minimum wage, for legal limitation of the hours of labor, has no such meaning as it has where city hardship has been severe.

* * *

The Farm Problems

Times on the island are, on the whole, good, and even at their worst in the depression they had no such sting as in other provinces one could name. With winter at hand, Charlottetown, of course, expects its annual problem of men out of work. Caprices of climate, alternating floods and droughts, so that here and there the misfortunes of the two were combined, made the crop outlook for the 1937 season less hopeful. It is being predicted that disappointment with this year's prices of farm produce will make islanders realize the value of that marketing board which one of the condemned acts would have given them, and will thus incline them to a constitutional change for its sake.

But it takes time for such experience to work such results. "Tinkering with constitutional machinery" is as little to the taste and habit of farmers as it is now the delight of trade unions in the city. Not a zeal for reform, but a quiet acquiescence while others are reforming, may be looked for on the island. The general contentment is not indeed universal. A complaint—surely unique—is against improved administrative effectiveness: "It is too bad that now one cannot even poach lobsters!"

* * *

Teacher Market Slump

One hears, too, that a great export industry has fallen off—the export of school-teachers for the rest of Canada, so long a matter of local pride. As usual, no doubt, there was overproduction: the island capacity for intellectual leadership, attested by examples too numerous and too striking to be explained away, would result — especially during these last years—in a supply much exceeding the demand. What used to be called "money," and is now called in preference "purchasing power," shrank very fast in just those provinces which had spent with almost reckless profusion in years gone by on bringing the best brains from the east to their schools. Hence well-trained and competent teachers are now found all over the island either in other types of job, or professing that indefinable activity known as "back upon the farm."

Among the most interesting and instructive of recent ventures in legislation was the Farm Creditors' Arrangement Act; its working has been suggestively exhibited in Prince Edward Island. The purpose of this measure was to save from economic ruin that class so often called (more in compliment than with sincere respect) "the backbone of the country." Farmers were conceived to be in very special peril, and the abandonment of their farms through the foreclosure of mortgage threatened such public disaster that a very exceptional method was contrived to prevent it. Like the Agricultural Adjustment Act of Mr. Roosevelt's New Deal, the Canadian measure of relief for farmers unable to repay their loans had a sharp cutting edge for those who had advanced the money. A Review Board to look into the circumstances, a compulsory moratorium for claims, a fierce scaling down of interest where the adjudicators thought fit—all this has told its usual tale, not wholly for the farmers' benefit.

* * *

Farm Credit Tight

It was Jeremy Bentham who spoke of a difficult time when it may be needful to "pass a sponge over the claims of creditors." What has been found in Prince Edward Island is that such authorization of a sponge to wipe out credit in the past is making it harder and harder to obtain credit for the future. A startling increase is seen in the number of farms offered for sale, as must always happen when even a good farmer finds it hard to borrow money for his necessities.

. The Farm Creditors' Arrangement Act, intended primarily for the desperate needs of the West, and not intended in any circumstances to apply except where the debtor cannot pay, has been turned to other uses: so difficult is it to make the wording of a statute secure in but one possible interpretation. It is the old story of expanding credit. Ventures of new daring are made when there is no longer the old peril in failure. What else but the familiar consequence can follow? Credit has been sharply restricted: for even the sort of farmer that used to be accepted at once as "sound" for a loan, money has become very tight, because there is so much doubt as to who is really sound, and as to who is likely to remain so, under the new temptations so corrupting to agricultural morale. It all goes to show how complicated is the enterprise of legislative interference in business relations. The effects intended may be admirable; but those actually produced will include many a surprise.

* * *

One-party Legislature

A further feature which calls for a word of notice is the complete absence from the present island Legislature of "His Majesty's Loyal Opposition." The Government there must meet the duty of criticizing itself. Bernard Shaw would say to expect this is to make demand "in excess of the ascertained strain which human nature can bear." But if there is to be criticism at all, it must come from within the government ranks. Quick development of internal quarrels is, as a rule, the consequence of such a situation in the House.

An outside observer, however, must feel that criticism which has its root in real differences of principles is far more in the public interest than criticism which comes from a mere resolve (however conscientious) to "look out for faults." There is, indeed, no reason in the nature of things why a unanimous House should not be elected, any more than there is reason why all the students in a professor's examination should not obtain full marks. It might, in each case, be the result of perfect efficiency. But in each case there must be a haunting doubt. Other explanations would suggest themselves, especially if the experience were repeated. One recalls what Joseph Chamberlain said when Sir Oliver Mowat was introduced to him as "for 20 consecutive years Premier of Ontario." Adjusting his monocle, and looking puzzled, Chamberlain replied: "For 20 consecutive years! Is there no public opinion in that province at all?"

Loblaw Sales, Profits Again Show Increase

For the four-week period ending Oct. 16, sales of Loblaw Groceterias Co. were $241,367 above the figures for the corresponding period last year. Profits increased $1,378, slightly more than the gain shown in the August period, which was the smallest to date.

Sales for the five periods completed since the opening of the fiscal year increased $1,057,052, an profits were $17,269 higher.

Comparative figures for sales and profits follow:

Sales and Profits

	1937 $	1936 $	Inc. %
Four week period ended Sept. 16:			
Sales	1,644,897	1,403,530	17.20
Profits	73,189	71,811	1.92
Five periods ended Oct. 16:			
Sales	7,588,510	6,531,458	16.18
Profits	300,913	283,644	6.09

Clarendon Properties Makes Interest Payment

Balance of interest coupon No. 9, due May 3, 1932, on the first mortgage bonds, was paid on Nov. 1, 1937, by Clarendon Properties. Last previous payment was made on Nov. 1, 1936, when 1.2% was distributed. As the bonds carry interest at 7% payable semi-annually, the latest payment was for 2.3%, involving an amount of $16,100.

The company operates an apartment building known as the "Claridge" on Avenue Road, Toronto. First mortgage bonds, due 1947, are outstanding to the amount of $700,000.

Report Rufus Argenta Cuts Vein With Tunnel

From Our Own Correspondent

VANCOUVER. — According to Pete Swedberg, contractor, the long tunnel on the Rufus Argenta Mines in the Portland Canal district cut the vein at 1,022 feet from the portal at a point that gives some 900 feet of backs. The vein where cut shows a width of only about 1½ feet chalcopyrite and iron exactly similar in appearance to that on the surface, only much narrowed up, says Swedberg.

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ARCHITECT-EDITOR

Evan Parry, F.R.A.I.C., recently appointed architectural editor of Chatelaine Magazine. Mr. Parry is a Fellow of the Royal Architectural Institute of Canada and a member of the Ontario Association of Architects. For more than eight years he was Chairman of the Art, Science and Research Committee of the Royal Architectural Institute, and following the Great War was in charge of the Housing Division of the Dominion Government.

Pressed Metals Changes Rights

Price Cut to $20 a Share or One New for Eight Old Shares

Pressed Metals of America, Inc., has reduced the price at which shareholders may subscribe to additional shares from $25 a share to $20 and has changed the basis on which rights may be exercised to one new share for each eight shares now held. This information is contained in an amendment to the registration application filed with the Securities and Exchange Commission at Washington.

The changes also make necessary a revision in the total number of shares to be offered to shareholders from 12,429 shares to 15,572 shares. The offering will still be made to shareholders of record Nov. 20 and rights will expire on Dec. 20.

It is presumed that the reduction in the offering price of these shares has been made to bring it more in line with current market values. If fully subscribed, the offering would realize $311,440 in new capital.

Big Missouri Finishes Cave For New Mill

Completion of Job Represents Gigantic Task

From Our Own Correspondent

VANCOUVER. — Excavation of the huge underground chamber that is to house Big Missouri's mill has been completed, and the pouring of concrete is now well under way, according to advices from the Portland Canal district.

Not the least of the difficulties encountered in establishment of Big Missouri's mill has been the transportation problem. Two thousand tons of equipment and machinery had to be hauled over a rough road from the beach at Hyder to the east side of the Big Missouri ridge. The machinery either had to be taken over the ridge by tractor or through the 4,000-foot tunnel at the 2,850 level.

On arrival at the west side of the ridge the machinery had to be lowered several hundred feet down a skipway on the steep mountain-side to the 2,350 level, there again transferred and taken in along that level to the upper entry of the mill and there again lowered down some 200 feet to where it is required.

Coal Gate Oils Co. Gets Third Gas Well

From Our Own Correspondent

WINNIPEG.—Coal Gate Oils of Regina and Gates Petroleum of Winnipeg have now three gas producing wells within three miles of the town of Kamsack, just over the border in Saskatchewan. The third well, which was spudded in on Nov. 7 came in at noon on Nov. 12, less than a week's drilling. It came in at 183 feet, progressively shallower than the two previous wells and with apparently as strong or stronger flow of gas than either of the others. The last well drilled is practically within the town limits, having been put down on 120 acres leased from the town and on which the town's power house is situated.

Coal Gate Oils has done the drilling but Gates Petroleum of Winnipeg hold a half interest in the discovery well and also own half the leases. It is now intended to carry out an extensive programme of at least 20 wells.

Social Credit Collects "News"

Press releases to newspapers outside Alberta attempting to whip up enthusiasm for the Social Credit cause are a recent development of the Aberhart régime. Director of Public Relations is A. J. Allnutt.

In view of Mr. Aberhart's recent bills attempting to regulate the press, Mr. Allnutt's assurance at the opening of his press releases that "editors are under no obligation to publish them" is somewhat enigmatic.

As a sample of the propaganda being sent from the Social Credit office, a release just to hand, outlines the triumphal tour of Hon. D. B. Mullen, minister of agriculture, who has been visiting cattle ranches in Alberta.

Interesting sidelight on Social Credit activity is the following paragraph:

"During his short stay in Medicine Hat, Mr. Mullen addressed a meeting of social crediters, admission by membership card only, the hall being filled to capacity and standing room available only. Mr. Mullen spoke for nearly two hours. Mr. Mullen expressed his surprise at the interest that the Saskatchewan and Manitoba people are taking in the Alberta Social Credit movement and that they are commending the stand that the Alberta Government has taken at its last special session.

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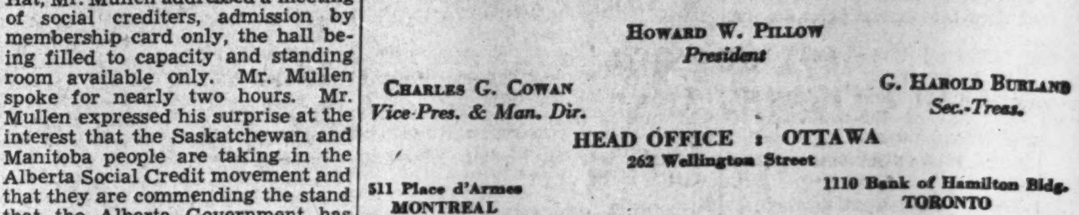

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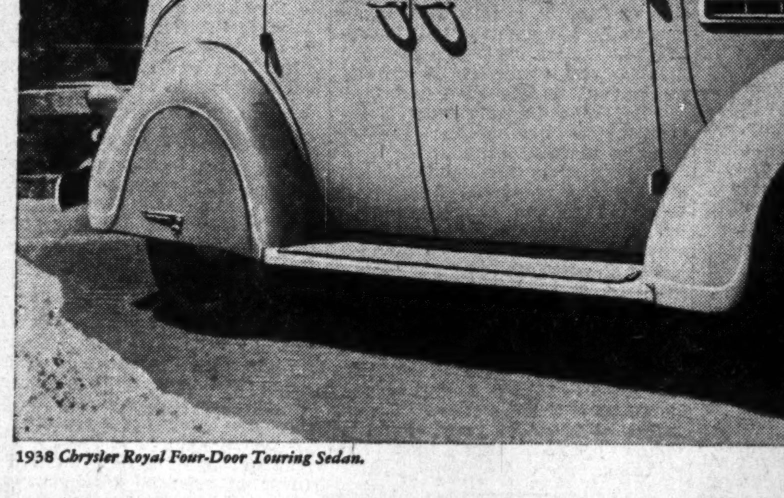
LUXURY AND DISTINCTION WITHOUT EXTRAVAGANCE

When you Drive a Chrysler!



RICH NEW INTERIORS
● *The beautiful new Safety-styled Instrument Panels set the keynote of the interior design. Handbrake is now out of the floor—under the instrument panel.*

● Again this year hundreds of Canadian motorists are going to satisfy their natural desire to be "different" and "distinctive" in their own community!

They are going to move into the "Chrysler Class" and get the best that famous Chrysler Engineering has to offer! Chrysler Engineers have done their part to help them, and you, attain this goal. They offer you a choice of three great Chrysler cars for 1938.

CHRYSLER ROYAL—*priced surprisingly low for such a big luxurious car—so little more than the price of lesser cars!*

CHRYSLER IMPERIAL—*larger and more luxurious than the Royal.*

CHRYSLER CUSTOM IMPERIAL—*for those who seek the ultimate in fine car distinction!*

To help you decide that you too *can* afford a Chrysler, your nearest Chrysler-Plymouth dealer invites you to *see* and *drive* any of the great new Chryslers for 1938! When you learn all the good things that Chrysler cars have to offer you for 1938, you too will feel justified in moving into the "Chrysler Class". You, too, will be able to enjoy motoring luxury and distinction without extravagance! Why not see or phone your Chrysler-Plymouth dealer today?

● All Chrysler motor cars are available on Commercial Credit terms to suit your convenience.

TUNE IN on Major Bowes Amateur Hour, Columbia Network, every Thursday, 9 to 10 p.m., E.S.T.

GENEROUS ROOMINESS *characterizes all Chrysler cars for 1938. Plenty of shoulder, elbow and leg room for all passengers both front and rear.*

WHAT CHRYSLER OFFERS YOU FOR 1938!
- New, longer wheelbases for a still finer "Floating Ride"
- New, more powerful "Gold Seal" engines
- Easier Steering and Gear Shifting
- New, deeper windshields for better vision
- 33% more luggage space in all trunks
- Larger, softer, more positive Chrysler Double-Action Hydraulic Brakes
- Airplane-Type Shock Absorbers
- Rubber-Cushioned Body Mountings
- Safety All-Steel Bodies and Safety Glass
- Floating Power and Outstanding Economy!

Space permits mentioning but a few of the many features Chrysler Engineers give you in the great Chryslers for 1938. A single ride will show you what these improvements mean in added comfort, luxury and motoring enjoyment.

Before you decide—DRIVE A CHRYSLER!